

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY SIXTH PARLIAMENT

13 ELIZABETH II

VOLUME III, 1964

COMPRISING THE PERIOD FROM THE SEVENTEENTH DAY OF APRIL, 1964,
TO THE NINETEENTH DAY OF MAY, 1964, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1964

20220—145½

HOUSE OF COMMONS

Friday, April 17, 1964

The house met at 11 a.m.

DRUGS AND PESTICIDES

PERSONNEL OF SPECIAL COMMITTEE

Mr. J. E. Walker (York Centre) moved:

That the special committee on food and drugs appointed March 9, 1964, be composed of Messrs. Armstrong, Asselin (Richmond-Wolfe), Basford, Mrs. Casselman, Cote (Longueuil), Enns, Francis, Gauthier, Harley, Horner (Jasper-Edson), Howe (Hamilton South), Jorgenson, Macaluso, Mackasey, Marcoux, Mitchell, Nesbitt, Orlikow, Prud'homme, Roxburgh, Rynard, Slogan, Willoughby and Whelan.

Motion agreed to.

PROCEDURE

SECOND REPORT OF SPECIAL COMMITTEE

On the order:

April 15—Mr. Knowles (Acting for the special committee on procedure and organization):

That the second report of the special committee on procedure and organization, presented on April 15, be now concurred.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there has been a reasonable request that the presentation of this motion be delayed for one more sitting day. Therefore on behalf of the committee I ask that it stand until Monday.

CANADIAN FLAG

REPORTED ACCEPTANCE BY PRIME MINISTER OF DESIGN

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): I should like to direct a question to the Prime Minister. Could he tell the house whether he has decided to give his support to a Canadian flag having three maple leaves against a white background or to some other design, as reported in this morning's *Globe and Mail*?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I assume that my hon. friend's question is based on a press story that appeared this morning. May I say that that story is entirely speculative. I know, and I am sure other hon. members know from their own experience, that there has been a great deal of speculation about the design of a Canadian flag for a good many months.

Mr. Balcer: May I ask a supplementary question. I wonder if the Prime Minister would take the house into his confidence as to what is going on about the flag. Is the matter being handled by a committee of cabinet, or by a committee of the Liberal caucus, or is it being left to that government co-ordinator extraordinary, Mr. Tom Kent?

Mr. Pearson: Well, Mr. Speaker, I can say that there is no committee as stated in the story, which confirms its speculative character. As to what is going on in connection with this matter, that will be announced to the house when a decision has been taken and the house will be asked to take its responsibility in this matter as the government must take its responsibility. The government is pledged to make a recommendation on this matter within two years of coming into office. We have now been in office almost one year.

Mr. MacEachen: Mr. Speaker—

Mr. Speaker: Order. May I suggest to hon. members that I have grave doubt whether the question is that pressing. It is an emotional question and a very important one, but it seems to me we should not be extending discussion on it at this time.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, further to the question asked by the hon. member for Three Rivers, I wonder whether the Secretary of State could tell the house how many flag designs or suggestions he has received approximately since his party has been in office. Two thousand, 3,000?

[*Text*]

Mr. Speaker: I am afraid the hon. member did not hear my suggestion that this matter could not reasonably be considered that pressing.

PENSIONS

REQUEST FOR STATEMENT ON NEGOTIATIONS WITH PROVINCES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the

Prime Minister and ask whether he is prepared to make any report with reference to his negotiations with the premiers of the provinces regarding the Canada pension plan; and can he tell the house whether it is the government's intention to introduce a new plan or to proceed with the present plan and make certain amendments in committee of the whole?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in welcoming my hon. friend back from the wars I would tell him I made a statement to the house yesterday in which I said I would be making a report on this matter not later than Monday. It will be made on Monday, and at that time I hope to deal with some of the points he has specifically raised this morning.

[*Later:*]

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, I should like to put a question to the Prime Minister.

Could he tell the house whether the Minister of National Health and Welfare is taking part in the discussions now going on between the Quebec and Ottawa authorities with regard to the Canada pension plan?

[*Text*]

Mr. Pearson: Of course, Mr. Speaker.

[*Translation*]

Mr. Valade: Mr. Speaker, I should like to ask a supplementary question. Will the Minister of National Health and Welfare present the new pension plan or will the Prime Minister introduce the bill next week?

[*Text*]

Hon. Leon Balcer (Three Rivers): May I ask a supplementary question. I wonder if the Prime Minister could tell us if these negotiations are being held at the present time and where the representatives of the various governments are meeting. Are the meetings taking place in Quebec city or in Ottawa?

Mr. Pearson: Mr. Speaker, the hon. member knows, because I made the announcement in the house, that these negotiations have been going on, not necessarily at meetings in Ottawa, by discussions between officials and by correspondence between myself and the premiers of the provinces. I shall be glad to explain on Monday exactly how it has been handled and the happy results which I hope will have been achieved by then.

[Mr. Douglas.]

IMMIGRATION

LONDON, ONT.—REPORTED TRIAL OF GREEK SEAMAN

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the Minister of Justice and the Minister of Citizenship and Immigration. It concerns the reported trial in London, Ontario of a Greek seaman by the name of Stylianos Yiannopolous who was held without trial for three months. Could the Minister of Justice and his colleague, the Minister of Citizenship and Immigration, look into this very serious matter and make a report to the house at their very earliest convenience?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I will look into the matter, though I doubt very much if it is within the realm of my jurisdiction.

LABOUR CONDITIONS

REVIEW OF FORMULA TO DETERMINE DESIGNATED AREAS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I direct a question to the Minister of Industry. Last November the minister, along with his colleague the Minister of Finance, assured the house that all depressed or designated areas, together with the formulae used, would be reconsidered once they had a little experience of them. Is he now in a position to inform the house whether these formulae are to be changed?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I do not think we have yet had sufficient experience of this program to warrant an announcement of changes at this time.

REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I put a question to the Prime Minister?

During the recent federal-provincial conference in Quebec city, did the premier of Quebec present him with a request from all the municipalities of his province to the effect that the winter works program be extended until the end of May? Has he received an official request from Quebec in that connection?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I cannot answer that question specifically but I will be glad to look into it. Meanwhile may I say that the policy of the government on the matter has already been announced.

PUBLIC SERVICE

PENITENTIARY SERVICE—EMPLOYMENT OF PERSONS OVER 45

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would like to address a question to the Minister of Justice. Is he now in a position to reply to the question I posed some time ago relating to age restrictions for non-custodial positions in the penitentiary service?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I had the intention of meeting the director of penitentiaries, but he has been away on duty for quite some time recently. He has just returned and I will discuss the matter with him at the earliest possible date.

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. Has the right hon. gentleman received a request recently from the federal superannuates national association for legislation this session to amend the Public Service Pension Adjustment Act, and can we expect a favourable response to this request during the present session of parliament?

Right Hon. L. B. Pearson (Prime Minister): I believe within the last few days I have received such a communication, but I should like to check. The matter will be under consideration in the light of that communication, and I shall be glad to report to the house as soon as I can.

SHIPPING

GREAT LAKES—STATEMENT BY INTERNATIONAL JOINT COMMISSION ON WATER LEVELS

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, earlier this week both the right hon. Leader of the Opposition and the hon. member for Grey North raised questions concerning the serious low water conditions which presently exist in the great lakes basin. In this connection, if I have the permission of the house, I should like to table a statement recently furnished to the governments of Canada and the United States by the international joint commission, which statement I believe was requested yesterday.

The international joint commission has responsibility with regard to certain regulatory works in the international section of the St. Lawrence river and has stated that these works will continue to be operated under present extraordinary conditions in order to alleviate, to the greatest extent possible, the situation in lake Ontario and downstream. I can assure the house that the government is very much concerned about this matter and will adopt all measures open to it which will help to minimize these extremely low water levels.

The Leader of the Opposition also mentioned the Chicago diversion. Some United States domestic aspects of this problem are now before a special master appointed by the United States supreme court. He is in no doubt about the position the Canadian government takes toward the Chicago diversion. In the past the Canadian government has repeatedly made clear its unalterable opposition to the unilateral diversion of great lakes water. There is no difference on this point between the policy of the present government and that of the government which was headed by the right hon. gentleman.

Mr. Speaker: Did I understand that the Prime Minister wished to table some documents?

Mr. Pearson: I should like to table the report of the international joint commission, which I thought was rather too lengthy to read.

Some hon. Members: Agreed.

Mr. P. V. Noble (Grey North): I should like to ask the Prime Minister if this has anything to do with the international joint commission.

Mr. Pearson: It is the report of the international joint commission that I am tabling. I know it will be of special interest to the hon. member.

BUSINESS OF THE HOUSE

REQUEST FOR ORGANIZATION MEETINGS OF STANDING COMMITTEES

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I could direct a question to the hon. member

for York Centre in his capacity as chief government whip. Since the standing committees have been constituted as to membership, would the hon. gentleman move with some speed to have these committees meet for organization purposes in order that some of the pressing matters referred to them and uncompleted at the end of last session may be referred to them and dealt with?

Mr. J. E. Walker (York Centre): Two of them are being called for Tuesday and five for Thursday. The others will follow very shortly. Notices are going out today.

FINANCE

REPRESENTATIONS RESPECTING SALES TAX ON DRUGS

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): This question is addressed to the Minister of Finance. Yesterday I asked the hon. gentleman whether he had received any representations with reference to the sales tax on drugs and medical supplies, and he said he had not. I wonder if he would mind checking his files to see whether there are letters written to a druggist by the name of Irwin and to other druggists by the Prime Minister, the Minister of Agriculture and the former minister of national revenue in reference to this matter. Perhaps the hon. gentleman would let us have a reply at a later date.

Hon. Walter L. Gordon (Minister of Finance): My recollection is that the hon. member for Bow River prefaced his question by asking whether I had received extensive or voluminous correspondence on the subject, or something of that kind. The adjective was part of his question and I replied to it perfectly accurately. No doubt I have received one or two representations on this matter. I will be glad to look into it.

Mr. Woolliams: Perhaps I could put a supplementary question. Did the hon. gentleman receive representations from three of his colleagues in reference to this matter?

Mr. Gordon: That I would have to look into also.

REFUND OF SALES TAX TO CHURCHES, SCHOOLS AND HOSPITALS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I understand that the acting minister of national revenue is prepared to answer the question I posed yesterday with relation to the formula for the refund of sales tax as it affects schools, churches and institutions in that category.

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, work is being done now to change the method of calculating this tax. While I cannot give the precise time when the new regulations will be ready, I would expect it to be in the very near future.

LEGISLATION RESPECTING CANADIAN CONTROL OF NEWSPAPERS AND BANKS

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I should like to ask the Minister of Finance a question based on an interview he gave last night which is reported in the press today. Is it the minister's intention to recommend to the government that legislation be introduced at this session to deal with Canadian control of newspapers and also of banks or will the minister wait until the report of the banking commission is received?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I do not quite know how that question could arise from the interview to which my hon. friend has referred. If there is any announcement to be made I can assure him it will be made in the normal way.

HARBOURS

INQUIRY AS TO IMPROVEMENTS UNDER CONSIDERATION

On the orders of the day:

Mr. Ron Basford (Vancouver-Burrard): I should like to address a question to the Minister of Transport. In view of the wide interest in shipping facilities in Vancouver and the hope of some of us for the eventual establishment of a terminal railroad, will the minister table copies of a report on freight movement through greater Vancouver prepared by the British Columbia research council and tell us what is now being done following this report?

Hon. J. W. Pickersgill (Minister of Transport): I will be glad to table the report, but I am sure if I attempted to tell this house all the things that are being done to improve the port of Vancouver I should be at it all day. But my hon. friend does know, I believe, as do the other hon. members from that area, that there have been discussions recently between the harbours board and all the

municipalities in the area, discussions which I think are going to be very productive indeed.

Mr. Thomas M. Bell (Saint John-Albert): Will the Minister of Transport be able to demonstrate in the near future some interest on behalf of other national harbours?

Mr. Pickersgill: The hon. gentleman will recall that about three weeks ago I announced that the Atlantic development board had been asked to make a special study of the port of Saint John and the port of Halifax. So I naturally looked to the east before I looked to the west.

Some hon. Members: Oh, oh.

Mr. Muir (Cape Breton North and Victoria): I doubt if you are one of the wise men, though.

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I might ask the Minister of Transport a supplementary question. I pose it to him in this way. Inasmuch as the late Mackenzie King promised that the port of Prince Rupert would be greatly expanded some time in the 1920's, I wonder whether the minister would look into that too.

Mr. Pickersgill: Mr. Speaker, I have been making plans to visit the port and I hope I can spread around the kind of sunshine that will please the hon. gentleman.

Mr. Speaker: Does the house give consent to the minister tabling his report?

Some hon. Members: Agreed.

Mr. Muir (Cape Breton North and Victoria): There is nothing like having a modest Minister of Transport.

POST OFFICE DEPARTMENT

POSTMASTERS ACTING AS AGENTS FOR NEWSPAPERS

On the orders of the day:

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, on April 9 the hon. member for Regina City drew attention to a circular letter that had been sent out, a copy of which he said had been received by someone in Regina. He asked the question whether the postmaster there was in fact the agent for the Winnipeg *Free Press*. I expressed the hope that this was not the case, and assured him I would give him an answer this week.

I have looked into the matter and can now state that the postmaster in Regina is not and never has been an agent for the Winnipeg *Free Press*. Postmasters in large offices or in city offices are not agents for newspapers, but it is a fact that postmasters in smaller offices, rural offices, so-called revenue offices where they rent space in corner stores, drugstores and other stores, have no restrictions on their acting as agents in this field. How this particular letter came to be sent to a resident of Regina, we do not know. We are communicating with the Winnipeg *Free Press* on this aspect of the matter. I hope I have fully answered the question of the hon. member, and I thank him for having drawn this matter to my attention.

TRADE

NON-PARTICIPATION BY CANADA IN JAPANESE INTERNATIONAL FAIR

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I have a question for the Minister of Trade and Commerce. I would ask the minister whether he can give the reasons why Canada is not participating in the international trade fair being held in Japan, when countries such as Australia, Italy and West Germany have sought to participate.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I will take the question as notice and will endeavour to answer the hon. gentleman on Monday.

NATIONAL DEFENCE

SHAWINIGAN, QUE.—AMOUNT OF CLOTHING STOLEN FROM ARMOURY

On the orders of the day:

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, yesterday the hon. member for Winnipeg South Centre referred to an answer to a written question tabled on Wednesday relating to thefts of equipment from national defence property. Specifically he referred to an item quoted as "unknown amount of military clothing" stolen from Shawinigan armoury on February 20, 1964 and said this wording was "a flagrant abuse" of the rules of the house. I took the question as notice and said I would look into the matter. I can now inform the house the facts relating to this matter.

The question asked by the hon. member did not in any way limit the extent of the items stolen or suspected of being stolen and in consequence, following the appearance of this question on the order paper on February 27, it was necessary to send out signals to all military establishments across the country, including ships, asking for a detailed return.

Depending upon circumstances and the manpower available to do the necessary work on the return, replies from various units arrived back at headquarters over a period of time.

In so far as the specific item mentioned by the hon. member is concerned, this was reported from Quebec command at the beginning of March. At that time, although detailed reports had been made to the police on the important military equipment stolen from Shawinigan armoury, stocktaking of individual items of clothing had not been done. However, stocktaking was carried out on March 16 and as a result of the hon. member's complaint I have now obtained a list of clothing stolen at that time. This list includes: 13 blue berets, 16 ponchos, 1 groundsheet, 10 khaki shirts, 5 battledress trousers, 14 olive drab field service trousers, 33 pairs of high black shoes, 16 trouser belts, 86 pairs of gloves, 22 neckties, 4 pairs of mittens and 137 pairs of socks. I might say, Mr. Speaker, that much of this has now been recovered by the police, but again at this date a detailed list is not available.

For the benefit of all hon. members I should like to draw attention to the fact that questions of this nature require a considerable amount of work and result in substantial cost to the public. On occasion when members put questions on the order paper an attempt is made to obtain clarification from the member in order to meet his specific request at the minimum cost. However, in view of the fact that the hon. member for Winnipeg South Centre is a former minister of the crown and also was for a time minister of national defence, it was presumed that despite the considerable cost involved he required the information as set out in his question without any of the qualifications which might have resulted not only in an answer being supplied quickly, but also in limiting the amount of work involved in the preparation of that answer.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I rise on a point of order. It is not within the jurisdiction of a minister of the crown to lecture any hon. member of this house just because he asked for information and that information was not supplied. I put a written question on the order paper, and the ridiculous answer was given that an unknown quantity of military clothing was stolen. Now the minister is attempting to explain away the inefficiency within his department. Shawinigan armouries was apparently completely stripped of military equipment and the minister was unable to give information to the house. Now he tells us that in March he had this information, yet my written question was answered only on Wednesday, and answered incompletely.

These lectures from ministers of the crown as to how we conduct ourselves in this house are out of place. We are entitled to ask for information from the government and we are entitled to complete answers, which we have not been getting.

Mr. Cardin: Mr. Speaker, the only reason for giving the answer I gave this morning was because of the remark made by the hon. member for Winnipeg South Centre when he said that the answer given on Wednesday was a flagrant abuse of the rules of this house. We did everything we could to obtain the information for the hon. member as I have mentioned, and I think his intervention this morning is completely ridiculous.

Mr. Churchill: Mr. Speaker—

Mr. Speaker: Order. I think we have had sufficient discussion of this important matter.

Mr. Churchill: Mr. Speaker, I would ask you to rule on whether or not my statement is correct. I said it was a flagrant abuse of the rules of the house to give an incomplete and insufficient answer to a written question. The minister says this is quite proper, and I would ask for a ruling from the chair in regard to this matter.

Mr. Speaker: It seems to me that this matter does not require a ruling from the chair. Perhaps it could receive investigation by the committee on procedure and organization. I think we have had sufficient discussion of the matter, and I suggest we move on.

FLOODS

FRASER VALLEY, B.C.—REPORTED DANGER DUE TO HEAVY SNOWFALLS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question for the minister of northern affairs. I wonder whether the minister has received reports in connection with the potential flood danger in the Fraser valley as a result of the recent heavy snowfalls in the mountains surrounding the area.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, following the tabling of the Fraser river board report I wrote immediately to Hon. Mr. Williston, ministre of lands and forests in British Columbia, suggesting to him that we had the option of either disregarding the report or acting upon it, and I said I thought

we should begin to act upon it. Therefore I asked him to arrange a meeting with me, which was held in Ottawa when he came to the Columbia river treaty meetings.

We have agreed that he and his engineers shall review the situation, and it is rather likely that they will be making an application to us under the Canada Water Conservation Act in respect of the improvement of the dikes in that area. I believe the engineering will take some six months.

With regard to the current snow situation, snow in the Columbia basin area is exceedingly high, some 40 per cent higher than last year. Our current reports in respect of the Fraser valley basin indicate that snow is not much higher than the ten year average.

AGRICULTURE

STEPS TO IMPROVE POSITION OF EASTERN FARMERS

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I direct a question to the Minister of Agriculture?

In view of the fact that the Minister of Agriculture stated on many occasions that he was studying several bills intended to help eastern farmers, can he tell the house if he is through studying one or two of them and could he announce their contents to the farmers while he is completing his study of the others?

[*Text*]

Mr. Speaker: May I suggest that this is a question for the order paper.

[*Later:*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, I have a question for the Minister of Agriculture. Would the minister tell the house if the government is ready to give federal subsidies, through the medium of the provincial governments, to eastern farmers so they may purchase seed grain early this spring?

Mr. Speaker: Order. I am sure if the hon. gentleman will put that question on the order paper he will get a very detailed answer.

Mr. Langlois: Mr. Speaker, I have another question which I will put to the Minister of Trade and Commerce. According to a report in the Montreal *Gazette* this morning a gift of barley has been made to Korea because of a shortage of grain there. Is the Minister of Trade and Commerce ready to do something similar for the eastern provinces if the need arises?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, so far as I am aware there have been no gifts by the government of barley to Korea.

Mr. Langlois: Then who issued the report that 30,000 pounds of barley have been given to Korea because of a severe shortage of grain?

Mr. Speaker: Order. Would the hon. member tell the house if he is basing his question on a newspaper report?

Mr. Langlois: A newspaper report, and I am asking whether or not it is a fact.

Mr. Speaker: The question is out of order.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I should like to direct another question to the Minister of Agriculture.

Since the minister does not seem to have any bill to introduce at this time when seeding is about to start, could he assure Canadian farmers that they will not be poorer this year after they have reaped their crops than they are now before seeding?

[*Text*]

Mr. Speaker: Order, please.

WORLD FAIR

INQUIRY AS TO SALARY OF COMMISSIONER GENERAL

On the orders of the day:

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, may I ask the right hon. Prime Minister a question of which I gave him notice last year? I hope he will be in a position to give me an answer today.

Has the Prime Minister taken a decision about the salary to be paid to the commissioner general and the deputy commissioner general of the world fair?

[*Text*]

Mr. Speaker: This also seems to be a proper question for the order paper.

Mr. Valade: On a point of order, Mr. Speaker—

Mr. Speaker: Order. I am afraid the hon. member has not been here in the last day

or two when we have had considerable discussion on points of order, questions of privilege and everything else. I suggest that he accept the ruling.

Mr. Valade: On a point of order concerning the statement the Chair has just made with regard to my absence from the house in the last few days, may I say I do not think the Speaker should make such a remark, because my absence was motivated by an illness. Therefore I do not think such a comment should be made by the Chair. My question was directed to the Prime Minister, and I think the Prime Minister should tell the house what salary he is paying to the commissioner general of the world fair.

Mr. Speaker: The hon. member is disputing the ruling. The Chair tries to make its rulings impartial and fair on every occasion, though perhaps it does not always succeed. I have suggested that this is a question for the order paper, and the matter of what type of questions should be put on the order paper has been under active discussion for the last few days. I suggest that the hon. member leave it there.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, it might assist in satisfying the hon. member for St. Mary if I were to inform him that there are questions on the order paper relating to the salary of the commissioner general of the world fair which will be answered on Monday.

Mr. Valade: I have a supplementary question for the Minister of Trade and Commerce. Will the salary exceed that of the deputy commissioner?

Mr. Speaker: Order. I must intervene again. This is an indirect attempt to ask the same question.

CANADA COUNCIL

REPORTED REQUEST FOR $30 MILLION GRANT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Secretary of State. Some time ago a question was raised in the house concerning recommendations of the Canada council with respect to its financial structure. I would ask the minister to take this question as notice and give some indication to the house of the government's attitude in this regard some time next week.

Hon. Maurice Lamontagne (Secretary of State): Yes, Mr. Speaker.

[Mr. Speaker.]

SOCIAL INSURANCE

MANITOBA—TEACHERS STILL REQUIRED TO COMPLETE APPLICATION CARDS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I had a question for the Minister of Labour but in his absence I will direct it to the Prime Minister. It has to do with the confusion which has been created with regard to requiring teachers to sign social insurance cards, and is related to an answer given in the house by the Minister of Labour last Monday. At that time the hon. member for Queens-Lunenburg asked the minister to make it very clear that it is not an offence for teachers not to complete these cards, and the minister said:

> I have made it clear and I shall be glad to make it clear again.

Information I have from the Manitoba teachers' society indicates that up to last Tuesday several school districts in Manitoba were still requiring their teachers to fill out these cards, and that a check of the unemployment insurance office in Winnipeg was made by the Manitoba teachers' society which indicated that that office had received no new letter from Ottawa nor any instructions to prepare a new letter for the districts explaining the error.

Will the Prime Minister assure the house that a statement or directive will go out that will clear up this matter; because apparently Manitoba teachers are still being asked to sign these cards.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we are very anxious to clear up any misunderstanding that may have arisen in this matter. I will bring my hon. friend's question to the attention of the Minister of Labour, and perhaps he will be able to deal with it on Monday or Tuesday.

[*Later:*]

Mr. George Muir (Lisgar): I have a question for the Prime Minister arising out of the answer he gave the hon. member for Churchill, in which he said he would discuss this matter with the Minister of Labour and have him bring in a report on Monday. I wonder if, during his talk with the Minister of Labour, he would discuss the desirability of having the minister send out a letter in the near future to the various unemployment insurance districts to clear up this misunderstanding.

Mr. Pearson: Well, Mr. Speaker, it is my understanding, and since the minister is not

here I cannot verify it at the moment, that that has already been done. This is what I should like to look into and report upon on Monday.

EDUCATION

SUGGESTED ESTABLISHMENT OF ARBITRATION TRIBUNAL

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Minister of Justice concerning a matter which I believe comes under his department.

Does the government intend to implement the recommendation of the "Conseil de vie française" and appoint a conciliation board to settle school disputes regarding cultural matters between ethnic groups and provincial governments?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, since this is a policy matter which the government will have to decide, it will be announced in due course.

[*Text*]

LABOUR RELATIONS

GREAT LAKES—STATEMENT BY CHAIRMAN RESPECTING ROLE OF TRUSTEES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Prime Minister a question. Has Mr. Justice Dryer, the chairman of the three man board of trustees handling the great lakes shipping problem, informed the government that the role of the board as a three man board is near an end?

Right Hon. L. B. Pearson (Prime Minister): Not to my knowledge, Mr. Speaker, but I will have to check with the Minister of Labour, who is not in the house today. If there is anything I can add I will be glad to do so.

REDISTRIBUTION

PROVISION FOR BOUNDARIES COMMISSIONS AND READJUSTMENT OF REPRESENTATION

The house resumed, from Thursday, April 16, consideration in committee of Bill No. C-72, to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith—Mr. Pickersgill (for Mr. Pearson)—Mr. Lamoureux in the chair.

On clause 6—*Appointment of chairman, etc.*

Mr. Pickersgill: I should like to make a few observations, Mr. Chairman, about the amendment which has been offered by the hon. member for Winnipeg North Centre. In order to recall the background, I would direct the attention of hon. members of the committee to the debate on second reading and to the observations I made in the course of that debate on the subject to which this clause relates. I am afraid I am about to bore the committee by repeating, because I think it is very important that the record should be absolutely accurate, the remarks I made which are recorded on page 741 of *Hansard* at the bottom of the first column and in the second column. I will try to read this as quickly as I can, because I know it is trying to have these things repeated, and still remain intelligible.

On that occasion, on March 10, I said this:

> Next we came to the very difficult problem of determining the composition of the commissions.

I was assuming there, as the committee agreed last night after some thought, that there would be ten commissions.

> I think I expressed the view, which I think the hon. member for Winnipeg North Centre also expressed, although I am speaking from memory, and if I am wrong I should like to be corrected, that the experience in Manitoba with redistribution had been very satisfactory. In Manitoba the chief justice of the province, the president of the university and the chief electoral officer were designated in the legislation by office and not as persons. This produced a commission that commanded universal respect and confidence, and whose report was, I think, only altered with respect to one or two names.

I was referring there to the names of constituencies.

> In every other respect it proved very satisfactory.
>
> I must say that a good many of us racked our brains to see whether we could find people who, first, this parliament would have the right to designate. It is one thing for the provincial legislature to say that the chief electoral officer of the province should do something, but he is an officer of the province. We might achieve the same thing by getting their consent to it, but the parliament of Canada could not impose that duty upon him by naming his office; at least I would think it would be a very dubious proceeding to try.
>
> However, I do not think that at all rules out the possibility that with the consent of a provincial government the person who occupies the position of chief electoral officer might serve, and serve very acceptably, on one of these commissions, or as far as that is concerned on all of them.

I did not mean the same chief electoral officer there, but the chief electoral officer in each province in which there is one.

But quite frankly, apart from the chief justice of the province or a judge designated by the chief justice of the province—and here I must say I was very much influenced, as I think were others to, by the Manitoba precedent—it did not seem to us that there were any other persons we could designate who would have the same title and position in all provinces. In any event, what we really wanted was to be assured of impartiality.

After various other possibilities were considered the government finally agreed to put in the bill the suggestion that the chief justice of the province should nominate the chairman from a member of his court; that the leader of the government, the Prime Minister, should nominate one of the members of the commission; and that the Leader of the Opposition, who is an officer of parliament, should nominate the other. I say unreservedly that I have every confidence that no matter who occupies those offices, any person who becomes leader of the opposition in the parliament of our country or prime minister in the parliament of our country would take this responsibility seriously and make the kind of nominations that all of us would feel were appropriate under the circumstances.

I repeat that statement unreservedly.

I do not hesitate to say that with respect to this provision or with respect to any other method which commends itself to the house or to a majority of the house and which seems likely to produce as fair and effective a result, the government will be quite prepared in committee to consider on its merits any amendments to this procedure.

Now, that was the position at that time. I do not believe I need to read the next paragraph, which relates to the representation commissioner, but I should like to read the following paragraph on page 742.

Frankly, sir, up to now this is the most satisfactory suggestion we have been able to think of for arriving at the composition of these commissions, but I hasten to say again that if anyone in any quarter of the house can produce a better method we have an open mind. It is, I say once more, not the special responsibility of the government but the responsibility of all of us to do this in the best possible way.

That has been the position that the government has taken throughout about every aspect of this bill, and which it continues to take about every clause in the bill. It is true that last night I expressed quite strongly my personal preference for the ten commissions, but I would not have considered there was any question of confidence involved if the house had decided to take a different position, so long as I felt it would be workable. That is the position I have taken throughout, and which I continue to take with respect to every clause in the bill.

Now, sir, in the course of debate the hon. member for Winnipeg North Centre, as recorded at page 762 of *Hansard* for March 10 last, the same day, took exception—as did members in other parties in the house aside from our party and the party which represents the official opposition—to any of the nominees being the nominees of leaders of political parties. It is apparent to everyone that the Prime Minister and the Leader of the Opposition are leaders of political parties. I am sure they are not ashamed of that fact, but personally I do not think, in the discharge of the responsibility suggested by this bill, they would act in that capacity. I think they would act as responsible citizens performing duties entrusted to them by parliament, if parliament decided to entrust those duties to them.

But I also recognize that it is not unnatural for members in other parties to feel this way about it, and perhaps I would feel the same way if I had the misfortune to be in one of the smaller parties.

Mr. Knowles: You will be one day.

Mr. Pickersgill: If I had that misfortune I might feel the same way as hon. gentlemen did in all three groups in that corner of the chamber, when they expressed themselves about the suggestion in this bill.

Mr. Woolliams: You mean political misfortune.

Mr. Pickersgill: The hon. member for Bow River has an engaging way of trying to put me off my argument, but I wish to read what the hon. member for Winnipeg North Centre said. I think he will not disagree with my paraphrasing of it, when I say he did not think this was the most satisfactory way. He suggested that we should follow the course in Manitoba, which I might say parenthetically is precisely the same or as nearly precisely the same as two things can be, as the course followed by Mr. Frost when he had the commission established in Ontario. If my recollection serves me right, in Ontario it is not the chief justice. It is one of the high court judges, with the chief electoral officer, and a professor in the political science department of Queen's University. So in effect the Ontario commission would really conform more precisely than Manitoba to what is suggested in the amendment offered by the hon. member for Winnipeg North Centre.

Mr. Woolliams: Would the minister permit a question? I know he is padding something, and I was wondering if he would now say whether he himself and his party are in agreement with the amendment moved last night.

Mr. Pickersgill: I would like to make my argument in my own way, as I know the hon.

gentleman would like to make his argument in his own way.

Mr. Woolliams: Well, could you answer that question?

Mr. Pickersgill: Under our rules the hon. gentleman does not have the floor at the moment, and I do not think in the end I will have any difficulty satisfying his curiosity about anything which he has a right to be satisfied about, under our rules.

As recorded at page 762 of *Hansard* I in fact did exactly what the hon. member for Bow River has just done. I interrupted the hon. member for Winnipeg North Centre and asked him if I could ask him a question.

Mr. Knowles: What did I say?

Mr. Pickersgill: The hon. member said "Gladly." Then I did what I have sometimes been accused of doing. I asked a question almost as bad as some of the questions asked on orders of the day. I will read it.

Mr. Churchill: What page?

Mr. Pickersgill: Page 762, at the bottom of the first column and the top of the second column. I said:

> I agree with what the hon. member is suggesting in principle,

—that was, that the commission be appointed of designated persons, not designated by name but by the name of their office—

> as I said earlier this afternoon—

—and as I said also in the last session of parliament when we first debated this. At that time I said I regarded the Manitoba experience as a model but I did not think this parliament could devise a way of following it. I had better repeat exactly what I said:

> I agree with what the hon. member is suggesting in principle, as I said earlier this afternoon, provided it can be done. But I would put this difficulty to him and ask him whether he has an answer to it: How does this parliament compel presidents of universities who are not officers of ours and who have jobs to do, to carry out this business for us? It is a very different thing for a provincial government which provides the main alimentation of a provincial university to ask them to do it—and it is a much smaller job, in any case, at least in some of the provinces. Then, of course, the difficulty seems to be compounded in the case of provincial officers such as the chief electoral officer, because all one of the provincial governments needs to do is say it will not allow him to serve, in which case I do not see how this parliament could compel him to serve.

The hon. member for Winnipeg North Centre intervened and said, in what seems to be a question within a question:

> May I ask the minister whether that same difficulty would not present itself to the Prime Minister or to the Leader of the Opposition, if they sought to name individuals connected with universities or provincial governments?

I replied to that as follows:

> Presumably they would ascertain their ability to act. It would not be done permanently in legislation. That is precisely the problem.

Then the hon. member went on to say this:

> I will agree that the Minister of Transport may have raised a difficulty, but I suggest it is not beyond the wit of members of parliament to find an answer if we are agreed on the basic principle that we should be making the decision here in parliament, not leaving it to two individuals, particularly when each of those two individuals has a party connection, to do a job which we are trying to put on a completely independent basis.
>
> So I urge very strongly that consideration be given, when we get into committee on the bill, to making this kind of change with respect to the manner in which the members of the commissions are to be appointed.

The two points I want to emphasize at this time are that I had said at the very outset, when introducing the second reading of the bill, that I thought if we could find a method of prescribing precisely by office who should be the members of these commissions, that would be a preferable way to do it, but I did not believe it was possible. I did not believe we could find officials in the provinces that this parliament had the legislative competence to oblige to act.

Judging from the amendment which the hon. member has now produced I think he has indicated he agrees with that view, because he does not seek to prescribe the officials. He merely suggests certain categories of people from which a choice should be made, and he also recognizes the possibility that both those classes, in one province or another, might be exhausted and the chief justice would then have to look for someone else. As a matter of fact the amendment makes provision for the appointment of some other person, not by the chief justice alone but by the chief justice in consultation with the representation commission.

The reason for making that suggestion, I suppose, is that if the chief justice selects them from the categories that might be laid down by parliament, there would be no feeling that there should be any check on his freedom of choice. But if he has to go outside those categories I dare say the hon. member must have felt—and I should not seek to interpret him—that the chief justice alone would not just select anybody he liked, in the hope, I presume, of having some reasonable degree of uniformity.

I must say, and I say quite frankly, that the hon. member came to me some time after

this debate and told me he thought he had found a method of doing this. He said that if he had, he intended to bring in an amendment at this time. As I said quite frankly on March 10, I was prepared, and I even went so far as to say the government was prepared—because we had had to take the responsibility for bringing in the bill as originally drafted—if a better method should be found, a method which would be less open to question, to consider it on its merits. That is the position and it is the only position I have ever taken. It is the position I still take with respect to this clause, as with respect to every other aspect of this measure.

I do not think it would be appropriate for me at this stage, until there has been some opportunity, as the hon. member for Digby-Annapolis-Kings rightly suggested last night —since this amendment was presented only shortly before ten o'clock last evening—I do not think it would be appropriate for me to indicate any attitude about this until I have had an opportunity of hearing some debate on it.

Mr. Churchill: Give us your views on this. May I ask the minister a question. If the government intends to support this amendment let us know. If the government is not supporting it, let us vote the amendment down and get on with the business.

Mr. Pickersgill: The hon. gentleman is now proposing a course which seems to contradict the suggestion he made earlier, which was that we should give the most careful consideration to all aspects of the bill before us. I would feel I was acting in bad faith, and not in accordance with what I said as recorded on page 742—perhaps I might read what I said then—

Mr. Churchill: You do not need to read it.

Mr. Pickersgill: Perhaps I do not. However, I will not seek to restrain the hon. gentleman when he makes his argument, and I would appreciate it if he would also concede that I have the right to make my own argument in the house in my own way as well.

The most satisfactory suggestion we have been able to think of for arriving at the composition of these commissions is the one before the committee, but I hasten to say again that if anyone in any quarter of the house can produce a better method we have an open mind. It is, I say once more, not the special responsibility of the government but the responsibility of all of us to do this in the best possible way.

[Mr. Pickersgill.]

In the light of the clear and unequivocal statement I made I do not think I should get up, without having heard any argument, without even having had an opportunity to confer with my colleagues, and take a definite attitude one way or the other. I think I could be accused of bad faith if I said at this moment that the government will accept the amendment or that it will not accept it. I think we should examine this proposal with an open mind. We should examine it to see whether there are any flaws in it and, if there are, we should reject it. And if, after giving it dispassionate and objective scrutiny such as the hon. member for Winnipeg South Centre somewhat eloquently, I thought, recommended last night should be given to this measure as a whole, we decide it would be an improvement on the present proposed arrangements, we should accept it.

I must say I have no doubt that if we do accept the bill as it now stands the Prime Minister and the Leader of the Opposition will make the kind of appointments to all these ten commissions which will commend themselves to all reasonable people. That is my opinion, but it is obviously not the opinion of every member of this house. At any rate, some doubts have been expressed about it in certain quarters.

Mr. Starr: Well, let us have a vote on it.

Mr. Pickersgill: If we could have all these doubts resolved in all quarters of the house it would undoubtedly be better, as it would with regard to all aspects of the bill. But before I decide what my own attitude should be I would like to hear the views of some of the other hon. members. I should like to hear them indicate whether they see any defects in this proposal or whether they see any advantages in retaining what is recommended in the original bill.

Mr. Nowlan: I have to leave in a little while and I shall not be here at one o'clock. I hope this matter will not be determined at that time if it comes to a vote, because I have strong feelings in the matter as I suggested last night.

I think the provision now in the bill is a good provision. It is not perfect, of course; nothing in this world is perfect, but it is as good a provision as could be incorporated in any bill dealing with such a contentious matter. The hon. member for Winnipeg North Centre said last night that it savoured, perhaps, of politics which he was trying to avoid. He wanted to avoid political partisanship in

these matters. Well, I do not think it is possible to avoid at least the semblance of partisanship when you are dealing with something political—and I am using the word in the best sense now, with a small "p". There has to be some, and it cannot be avoided no matter what semantics are used when framing the legislation.

I think the clause before us is as good as any clause that could be prepared. Like the Minister of Transport, I should be glad to hear any arguments which might be advanced by hon. members generally in favour of a change, other than the wish to avoid politics which, I say frankly, is impossible superficially. I have no doubt that a change would be more pleasing to the feelings of hon. gentlemen in the farther part of the house, and one can understand this wish that either they should be recognized or that somebody else should not. But these are the facts of life, the facts of our political life.

We have a Prime Minister who is an officer of the house and a Leader of the Opposition who is also an officer of the house, and they are the only ones in this category. I agree that whoever occupied the office of prime minister or leader of the opposition would exercise the authority given to them under this provision in a manner which would be entirely creditable both to themselves and to parliament, and we can be entirely confident that they would make the best choice possible in these circumstances, even though the choice might prove disappointing to someone or other. After all, whether right honourable or not, they are both honourable gentlemen. They have the spotlight on them. They have an obligation to the nation as well as to their parties.

This amendment—I spoke of it rather lightly last night—is trying to escape politics as such. But we are not going to escape at least political association or affiliation. There is nothing bad about this. Indeed, I hope everybody in Canada, outside, possibly, the clergy—and I am not so sure even about them—has some political association or affiliation or at least a political interest; and if you are going to choose people who are entirely removed from that you are going to get political noodles or something like that; I was about to use a term which might not have been in keeping with this occasion.

This amendment names certain official categories in the service of provincial governments. I agree with what was said by the minister about the difficulty of ordering them to serve, or even asking them to serve. Which people are listed? There is the provincial chief electoral officer. There is the surveyor general, whoever he may be. There is the registrar of vital statistics, who is sometimes a nurse. Then the proposal speaks of those holding "similar offices". If that does not take in the whole gamut from a caretaker to the president of the council, I do not know what does.

Then you get a greater disparity in the section below; you get college presidents, college teachers, college instructors; and finally, if you cannot get one of those you pick out anyone you like. The load is put on the chief justice of the court. That is one of my chief criticisms of this amendment, and I think the Minister of Justice should express his opinion on this matter. I do not think the chief justice of any superior court, or any inferior court, should be put in the political position where he is ordered by this parliament to make choices within the whole field that is mentioned here.

This provision is not so wide in the bill that we have before us. He makes a choice from his own court or another court, but it has to be a judge, someone who is theoretically and legally under his control. But when you go beyond that and, as I said, take in everybody in the province whatever his political leaning, you may inadvertently make the most partisan appointment.

I think the chief justice is further removed from politics than many of the people mentioned in this amendment. Many of these officers are appointed for political purposes or political award. Perhaps some judges are, too, from time to time; but they have other qualities as well, and they become divorced from politics to a much greater degree than people in provincial governments. I am not speaking of any particular provincial government, but this refers to all provincial governments. I know from my own experience in Nova Scotia that in the past we did not have as strict a standard of civil service appointments as you might have in the national government.

I do not think it is a good thing to include everybody in the employ of the provincial government. It would possibly enable some provinces to get representation which they otherwise might not get; but if the Prime Minister and the Leader of the Opposition made the choices that I know they would make—and I am not speaking of the present occupants of those offices, although I certainly would include them—their choices and selections would commend themselves to the

people of Canada and this on the whole would be much better than making appointments from the classes which are prescribed here.

If this amendment were accepted you could go off into the deep blue, go as far as you liked and choose anyone. This is not any improvement; it is not any addition to the bill now before us brought in by the government. I say it is a derogation of it; it is a weakening of it. It is wrong to put the chief justice of any province in the position in which this amendment would put him if the house should see fit to implement it.

I hope the Minister of Justice will give us his views on this matter. I think there has been altogether too great a tendency to impose this kind of load upon the judiciary. They are involved in many things; from time to time they are concerned with labour matters, and so on and so forth. These things, if they do not bring them into disrepute, at least bring our judiciary into critical arenas, and we should lean against this happening as much as possible. Here is one opportunity to do this. We appoint a chief justice or some person designated from his court. I do not think we can avoid that. It guarantees impartiality. But it is not an incursion or excursion into the field of provincial politics, as would be the case if this amendment were accepted.

Mr. Chairman, I have spoken longer than I anticipated, but I have expressed my own feelings on this matter and would like to hear the argument as to why this amendment should be adopted in preference to what we now have before us, other than the fact that presumably because you have political officers making the appointments they will be political, partisan appointments, which frankly I do not believe.

Mr. Barnett: Mr. Chairman, I wonder whether the hon. member for Digby-Annapolis-Kings would permit me to ask him a question.

Mr. Nowlan: Yes, if I can answer it.

Mr. Barnett: When the hon. member was speaking he expressed confidence in the honourable intentions of the prime minister and the leader of the opposition whoever they might be, I would like, however, to ask the hon. member if he has ever heard of Caesar's wife.

Mr. Nowlan: What was her name?

Mr. Leboe: Mr. Chairman, I wish to speak for only a moment on this question. It is not an earth shaking question, and I do not think it should occupy too much of our time. However, I think we have had some lengthy speeches on the matter without any arguments being put forward. I do not think we have heard any arguments for the bill as it stands, in reality. The integrity of the leader of the government and the leader of the opposition is not in question in the amendment. What is in question is the image that is given as far as the whole matter of the setting up of these commissions is concerned. As I say, the integrity of either the leader of the government or the leader of the opposition is not in question.

I believe that what we have failed to do here is recognize that it is the people of Canada who will get the image of what is going on in the house and what we are trying to do. I think this is the point. I do not think it is right to talk about the load being carried by the judiciary, because anyone who is given the responsibility of picking these commissioners will have the same problem. The categories are wide enough here so that there should be no problem in obtaining the type of individual who would do the job well.

I say again in closing, Mr. Chairman, that the question is the public image we are trying to protect, and there is no reflection upon the integrity of the leader of the government or the leader of the opposition.

Mr. Basford: Mr. Chairman, I should like to take advantage of the minister's statement that he has an open mind on this matter, to express very briefly a few of my own personal thoughts on this amendment, and suggest to the committee that we should leave the bill as it is and not accept the amendment.

Some hon. Members: Hear, hear.

Mr. Basford: I appreciate the sentiments of the hon. member for Winnipeg North Centre trying in some respect to remove this whole matter from the area of any political consideration whatsoever or the suspicion of any political consideration. But I suggest that the amendment does not accomplish what I would like to see done in this respect anyway. According to the amendment we are putting on the commission, in addition to the chief justice, the chief returning officer of each province. We already have on this commission Mr. Castonguay, who I suggest is the expert in this matter, who is the technician in this matter, and we do not need on each commission another similar expert or technician in the form of the provincial returning officer.

An alternative to him is the surveyor general. I am not positive as to what exactly a surveyor general does. We do not have one in British Columbia; I presume we have a like officer, but I am not sure. However, I question whether he has any particular knowledge that he could bring to the consideration of redistribution that cannot already be brought to the subject by Mr. Castonguay himself.

In so far as the director of vital statistics is concerned, I really do not know of anything that he could contribute to the work of the commission. He is a civil servant charged with the responsibility of recording births, deaths and marriages, and I do not think he has any particular qualifications whatsoever to sit on such a commission. Then as the third member we have the president or member of a faculty of a university. I have every respect for Canada's university community, but I question what we are doing in this amendment. I suggest that we are possibly buying a pig in a poke and are completely unsure of what we are liable to end up with for a third member of the commission. The presidents themselves are extremely busy men; I suggest they have no time to devote to such a commission and they would appoint in their place, as an alternative, a member of their faculty. The members of their faculty, from my experience, run the whole gamut of abilities, interests and political leanings.

I for one do not think we can abdicate our responsibilities so completely as to leave the matter completely wide open on the question who might be the third member of the commission, which is exactly what we are asked to do. I know many members of university faculties who would fill this position admirably. On the other hand, I know a great many who know nothing at all about this subject or about politics, and who would have very little to contribute of a worth-while nature.

I suggest, Mr. Chairman, that this bill be left as it is, and for a very important reason. While none of us wants to see the practice which used to be resorted to of gerrymandering, I think there is a real need to have someone on the commission with a knowledge of politics and political considerations. I suggest that for the very good reason that the commission will be determining the ridings from which each one of us will come, and it seems to me that in that determination it is important to have somebody who knows something about ridings, who knows something about the work of a member of parliament, so that those ridings can best be worked out in order that the member of parliament once elected can best serve the area.

This is not so much a consideration in the city and urban ridings, where if you take one ten blocks as compared with another ten blocks it makes no real difference whether one member of parliament can serve the first ten blocks better than the second. I suggest, however, that it is a real consideration in the rural ridings and in the far northern ridings, where there must be someone on the commission who knows something about politics and the work of an M.P. In that case, in the drawing of the boundaries this matter is in the forefront of his mind and consideration is given as to how a member of parliament can most effectively serve the particular area or region. Therefore, for that reason I think this amendment should be defeated and the bill should go through as it is.

Mr. Knowles: Mr. Chairman, first of all I should like to say that I appreciate in particular the statement made by the hon. member for Cariboo. In a very few, well chosen words he pinned down the issue very neatly. What we are concerned about in this amendment is not the integrity of the Prime Minister or the Leader of the Opposition, or of any future prime minister or leader of the opposition. What we are concerned about is the image of this legislation in the eyes of the Canadian people. It is not good enough just to have legislation which we think achieves impartiality; there must be the appearance of impartiality to the people of this country.

I am satisfied that it will not appear that way to the people of Canada if they know that two of the members of each of these ten commissions are going to be chosen by persons who happen to be the leader of two of Canada's political parties. I accept and underscore the statements of confidence in the holders of those positions which have been made by the Minister of Transport but as the hon. member for Cariboo said, that is not the issue. What we are doing in this piece of legislation as a whole is commendable; we are trying to take redistribution out of partisan politics and put it as far away from partisan politics as we possibly can. We have not done that if we still provide that two of the commissioners in each of the ten commissions are the nominees of the leaders of Canada's two largest political parties.

I suppose it was fair comment for the Minister of Transport to make, that the view

I expressed is a natural view for one who sits as the member of a smaller party. It is always hard for us to imagine what we in this party would be like if we were members of a larger party, or what the Minister of Transport would be like if his party became a splinter party. This may happen some day, of course. But I submit that we are presenting this proposition not because those of us down in this corner happen to be in parties which have no say in this matter. I submit we are presenting this as a matter of principle because we feel that the whole business of redistribution should be taken as far away from party politics as possible.

I was interested in the comments made by the hon. member for Vancouver-Burrard. He does not like my amendment because he says we would be buying a pig in a poke. He does not like it because we would be abdicating our responsibilities. I ask him, what does the present bill do but just that? According to the terms of the bill, if my amendment is not accepted, we have not the slightest notion what persons are going to be chosen to fill these two positions. All we know is that the Leader of the Opposition will pick one of them—and I say to the hon. member for Digby-Annapolis-Kings that he might pick a nurse, but what is wrong with a nurse?—and the Prime Minister will pick the other. Surely this is buying a pig in a poke and abdicating our responsibilities.

Mr. Woolliams: You have not much respect for one of the officers of the House of Commons if you believe that.

Mr. Knowles: Apparently my hon. friend, owing to the interesting conversation which he is having with his seatmate, has not heard what I said or what was said by the hon. member for Cariboo. May I say again that the issue is not the integrity of the Prime Minister or the Leader of the Opposition. As the Minister of Transport said, there is no question but that they would make choices which would seem to us to be appropriate choices. Our whole point is the image of this procedure in the eyes of the Canadian public. We feel that this image is not the non-partisan image it ought to be if two of the appointments are made by the leader of political parties.

The hon. member for Vancouver-Burrard wonders why in my amendment I have indicated the categories I have set out, and he had some derogatory remarks to make about provincial chief electoral officers, registrars of vital statistics and surveyors general. I suggest that these are people who are versed in the kind of information required for the drawing of the maps which will be needed for the job of redistribution. I suggest that an even stronger argument is that what we are drawing on is experience. The only experience we have had in Canada of boundaries being drawn by impartial commissions is in Manitoba, where that has been done for the entire province, and in Ontario where it has been done for part of the province. In both these cases the people appointed to do this work have been the very kind of people suggested in this amendment. In Manitoba we had the president of the university, the chief justice of the province and the chief electoral officer for Manitoba. In the case of Ontario, as already indicated by the Minister of Transport, they had the chief electoral officer, a judge of one of the high courts and a professor of one of the universities. Surely our experience in this field is a guide that people in these positions can do the job and can do it well.

The hon. member for Digby-Annapolis-Kings seems concerned about putting this kind of responsibility on the chief justice of a province. I find it very difficult to see how he can draw a line and say that it is wrong, that it is something the Minister of Justice should be concerned about when we ask the chief justice of a province to name three members of the commission. Then he says it is perfectly all right for the chief justice to name one of the members, and even to name himself. That is the way the present legislation reads, Mr. Chairman, and that is the way my amendment reads. I submit that if the task of picking the chairman of the commission for a province is a proper responsibility to lay on the chief justice of that province, it is likewise a proper responsibility to ask him to name the other two.

I suggest that this amendment meets the conditions laid down by the Minister of Transport on March 10 when he said that if anyone could come up with a formula which would provide for the appointment of these people on terms that could be set out in the act, such a formula should be considered. I confess that the night he posed the questions to me I found it difficult to answer them at that moment, but I submit that as a result of the discussions we have had since we have come up with a formula that does get away from the appearance of partisanship and does provide categories of people with experience. I submit this is the kind of thing we should do so that we will

go all the way in redistribution and make it a completely non-partisan proposition. I hope that before long there will have been enough discussion about the matter so we can make a decision on it, but I suggest that this amendment does meet the points that the Minister of Transport set out on the 10th of March and that it should be adopted.

Mr. Nielsen: Will the hon. gentleman permit one question? Does he suggest that individuals in the categories he has listed in his amendment would be completely devoid of any political feelings at all and that this would therefore ensure that no political considerations would be present if such people were appointed to the commissions?

Mr. Knowles: It has been our experience in this country that people who spend part of their lives in highly partisan activity but who are then appointed to positions such as judges do manage to become impartial in their judgments despite their past partisan political activity. I think it is possible to get people of this type to do this job. In this whole discussion I have cited the Manitoba experience. People like to twit us once in a while about political considerations, but look what I am approving. I am approving of a commission which would have on it the chief justice who, when he was in politics, was a Conservative. With regard to the president of the University of Manitoba, those of us in Manitoba know what his politics happen to be.

An hon. Member: What are they?

Mr. Knowles: He does not belong to our party, and he is not a Conservative. The chief electoral officer of the province has been a civil servant for a long while and I doubt that he has any political connection. Certainly I think the example there answers the hon. member's question, that no matter what political connections people may have had in the past the best chance we have of getting people who will do an impartial job is to choose people in these categories.

Mr. Starr: May I ask the hon. member a question? From his own knowledge can he refer us to any commission or board set up by a government in the past where only the chairman was nominated by the government and the chairman was allowed to select the other members of the commission on his own initiative?

Mr. Knowles: I do not know whether there are any such examples, but I do not think that invalidates this proposition at all. This proposal is that the chief justice name the chairman and that there be a set group from whom he must name the chairman. That set group consists of the judges of the court over which the chief justice presides. Then we give him the authority to name two more commissioners from categories A and B as provided in the amendment. I suggest that this provides sufficient safeguards.

I draw the attention of the hon. member for Ontario to the fact that if it is not possible to make choices from these categories, because people are not available or do not accept, and a choice has to be made outside of these categories, we change the person who shall make the appointments. The appointment is then made by the chief justice of Canada with the concurrence of the representation commissioner. This provision is necessary, of course, because we have to provide for all contingencies.

Mr. Deachman: Mr. Chairman, I would object to the hon. member's amendment on two grounds. First of all, I think it is overcomplicated. It is like the plans for assembling a scale model of the *Cutty Sark*. We do not need anything as complicated as that. In the second place, in my opinion his categories, which are one of the complexities, do not provide for the choosing of people who are likely to orient themselves toward a task of this kind. It is hard for me to envisage a surveyor withdrawing his eye from the cross hairs of his telescope to take up this task. I think it would be far better to leave it in the hands of the Leader of the Opposition and the Prime Minister to select people whom they know have dealt with the complexities of an election in the past because there is no more complex organization of voluntary persons in the country. I think this is the best way to let it stand.

Mr. Churchill: Mr. Chairman, I am very much interested in the debate which has taken place so far this morning, and the indication from members on the government side that they are not fully in accord with the apparent stand taken by the Minister of Transport, who seems to us to be inclined to support this amendment. The Minister of Transport covered the field rather widely a little while ago, and I hope I will have the same latitude from the chair.

I want to express my disappointment with regard to the attitude of the Minister of Transport on this matter. I think members on both

sides of the house have been trying to approach this problem without acrimony and in an endeavour to make a serious study of one of the most important pieces of legislation that has been brought before the house in the time that I have been a member. There is general agreement to change the old method and to do the contentious job of redistribution by means of a commission. As I said the other day, having reached agreement on that important matter we should be prepared to go carefully with regard to some of the other matters that are coincident upon having the work done by a commission.

In his speeches at the resolution stage and on second reading the Minister of Transport put on the record some sentences which were very important and which will have some historic significance as time goes on. He drew our attention this morning to something he said on March 10, and I should like to repeat it. As found on page 743 of *Hansard* he said:

> We do not intend to regard the bills—

He was talking about the two bills at that time.

> —as government measures except technically. Because technically they are government measures ...they are taken up in government time and are introduced by a minister of the crown. However, we feel that the collective wisdom of the house should be brought to bear on this problem and that any good suggestion from any quarter should be incorporated into these measures without any thought of partisan consideration. We will welcome improvements from any quarter of the house.

The minister was quoting at that time from a previous speech he had made and he went on to say:

> I want to reiterate that statement.

Then the Leader of the Opposition said:

> A most commendable statement.

We all thought it was at the time. The minister said he would welcome improvements from any quarter of the house. At different times as the debate has proceeded he has said that these things will be decided by a vote of the house.

What disturbs me with regard to the Minister of Transport is simply this. Yesterday the hon. member for Bow River and I put forward an argument in favour of a central commission which would have supervision over subcommissions in the provinces. Instead of being favoured with a discourse of half an hour such as the minister gave this morning in regard to the amendment put forward by the hon. member for Winnipeg North Centre, we were, I felt, brushed aside. I thought that the points we made and put forward in all seriousness last night should have been dealt with as the minister dealt with the amendment now before us. Why did he not say then "These suggestions deserve earnest consideration; let us take time to have another look at them"? Instead of that procedure he gave a short statement, the chairman put the clause to the house, and the clause passed.

Well, that is not the way I thought this particular bill would be considered by the House of Commons. As soon as we start discussing some of these aspects we see articles in the press to the effect that we have certain motives. If we want something done about the tolerance figure, it is because we have some motive in mind. If we want one commission instead of ten, it is because of some partisan political motive.

I have no partisan political motive in connection with my attitude on this subject. Some of the things I said yesterday were contained in a speech I gave over the radio over 12 years ago; they were reported in the Winnipeg *Free Press* and the Winnipeg *Tribune* and can be read there. Unfortunately I did not get a chance to put them on *Hansard*. I have not changed my position with regard to some of these things in 12 years. This attributing of motives to us is one quick way of arousing partisan feeling.

Mr. Pickersgill: Mr. Speaker—

Mr. Churchill: I am not saying that the Minister of Transport has done that at all.

Mr. Pickersgill: I just wanted to make that clear.

Mr. Churchill: No, no; the Minister of Transport has been fair about this. I hope this situation will continue to prevail. However, in my opinion he has been skating on rather thin ice this morning in the inconclusive way in which he dealt with the amendment which is now before us.

I want to say a word or two about what the hon. member for Winnipeg North Centre has recently said. I hope if he replies, and uses the phrase he used yesterday, he will explain what he means by it. According to *Hansard* for yesterday he said that he understood my motive in suggesting one commission instead of ten. I believe the hon. member should explain a statement like that rather than leaving it unexplained to appear as if there were something sinister about it.

Mr. Knowles: Would the hon. member permit a question?

Mr. Churchill: Yes.

Mr. Knowles: Will he please believe me when I say there was nothing sinister in that suggestion at all? I understood his motive as being one that would tidy things up; I think I used that phrase. I was not suspecting his motive at all when I made that remark.

Mr. Churchill: That was the interpretation I placed upon it, but people reading *Hansard* might place a different interpretation upon it. I am not lodging any further complaint.

However, in the course of his remarks this morning in support of his amendment the hon. member for Winnipeg North Centre stressed the necessity of presenting an image of impartiality to the Canadian people in connection with this legislation; that we must extract this legislation from partisan politics. He is of the opinion that if the nominations to the commissions are made by the Prime Minister and the Leader of the Opposition representing the two major political parties of this country, there will be a suggestion of partisan politics. I hope that very soon somebody will define partisan politics. We are running into a great deal of criticism with regard to parliament from some uninformed people. We hear a lot in this house about partisan politics, but it is time that phrase was defined.

I believe it is quite wrong for members of this house to object to the clause in the bill under which authority will be given to the Prime Minister and the Leader of the Opposition to make appointments, and to object on the basis that there might be a suggestion of partisan politics. I believe such suggestions create a wrong image of parliament. The people who are making these suggestions about creating a wrong image of parliament should consider the fact that if it is suggested that because the leaders of the two great political parties are given the privilege of making appointments there will be then something a bit sinister about it, then it follows that there is something wrong with everything and you get down to the position where you need to get rid of all political parties and destroy parliament.

We have heard some of these suggestions by people commenting in the news media. In the final analysis these suggestions come down to getting rid of parliament. What do these people want to substitute for parliament? I think members of parliament have to be careful about this. The Prime Minister of this country, the leader of the Liberal party, has the respect of parliament. The Leader of the Opposition, the leader of the Conservative party in this country, has the respect of parliament.

Some hon. Members: Oh, oh.

Mr. Churchill: I did not realize my speech was so earth shaking that it affected the lights of this building.

Mr. Pickersgill: The road to Damascus.

Mr. Churchill: I feel that these gentlemen have the respect of parliament. We differ and differ vigorously with regard to certain matters, and why not? We are not namby-pambies. The great advantage of parliament is that we have an opportunity to reply. If we had the same opportunity elsewhere we would all be very happy. We have people criticizing us, and if we ever get a reply it is buried on page 36 of the newspaper or something like that. Here you have an opportunity to reply and there is vigorous debate. I can differ with the Minister of Transport every day in this house—

Mr. Starr: But you do not.

Mr. Churchill: Yes, I do. About once a week I do differ with him, but I can differ with the Minister of Transport in this house and that does not say I do not have respect for him as a parliamentarian and as a gentleman. We are entitled to differ here—

Mr. Knowles: He might use that in the next election.

Mr. Churchill: I do not mind if he uses it. I have invited him to come out and run against me in Winnipeg, but he seems content to remain in Newfoundland.

Mr. Pickersgill: I reciprocate the invitation.

Mr. Churchill: Coming back to what I started to say, the members of parliament who criticize what they call partisan political strife are in effect criticizing this institution. They are downgrading it, and they are playing into the hands of the people who want to destroy this institution. I point that out to those who have said things like that in this house.

I disagree quite frequently with the hon. member for Winnipeg North Centre who, nevertheless, has a great deal of experience in this institution. I believe this is where the hon. member should take thought about what he is doing when he suggests here, for the consumption of people across this country,

that if we give the leader of the Liberal party and the leader of the Conservative party the opportunity to make appointments to this commission we are creating in the minds of the people of Canada an image of partisan politics, and that there is something wrong about it. I think the hon. member for Winnipeg North Centre should correct his stand on this. What is required in this country is respect for parliament, and that carries with it respect for the leaders of these two great parties.

Some hon. Members: Oh, oh.

Mr. Churchill: Obviously some people in the left hand corner of the chamber have no respect for the leader of the Liberal party or the leader of the Conservative party, but there are millions of people in the country who have, while their supporters are not very numerous. I suggest that the hon. member for Winnipeg North Centre should revise his thinking on this, rather than lodge the suspicion that if these two gentlemen are given the privilege and the job of appointing people to these commissions, then something underhanded will be done.

I think he is reflecting on our method of government. Even if you do not like the gentlemen concerned, it is better to accept the fact that the people of the country have given them these responsible positions. You support the institution of parliament by so doing, and you support the party system within our parliamentary democracy.

Mr. Knowles: Would the hon. member permit a question?

Mr. Churchill: Yes.

Mr. Knowles: Why are we taking the drawing of our constituency boundaries out of the hands of a parliamentary committee and putting it in the hands of an independent commission, something we all support including the hon. member for Winnipeg South Centre? Is that downgrading the processes of parliament and saying there is something wrong with parliament?

Mr. Churchill: No, I do not think it is by any means. Parliament in the past has found it an extraordinarily difficult task to draw the boundary divisions in this country, and there are historical incidents when advantage was taken by one party over the other in the drawing of those boundaries. It is agreeable to parliament in this day, as has been mentioned on many occasions, to have this onerous job performed by a body outside parliament because we are mixed daily in controversy here, and there is the striving for party advantage at the polls with which I am not in disagreement at all.

As the hon. member for Digby-Annapolis-Kings said, everybody in the country should be interested in politics and should belong to a political party. I do not know why we have so many thousands of people who take no interest in politics. It is here in the House of Commons that their future is determined. This is where the decisions are made with regard to war and peace. This is where the decisions are made with regard to economic progress and economic decline; and how people can say "Oh, I am not interested in politics" escapes me completely.

Everybody in the country should belong to a political party and try to get their views advanced through that political party. To stand on the sidelines, to let others carry on and then complain is not good citizenship. Therefore we must remove this phrase of partisan politics from our dialogue if it carries the connotation that there is something terribly wrong about it. There is nothing wrong with it at all if it is not carried to the extreme. It is a conflict of parties in this state having different philosophies of life, and if the people are content to have one party in power at one time and another at a later time, that has been proven to be a better method of governing a democracy than killing off your leaders at different intervals and putting in somebody else.

Having said that, I wish to say that the amendment is absolutely unnecessary. Once again I draw attention to the experience in this field which Great Britain has had for over 20 years. It established four boundary commissions, headed by the Speaker of the House of Commons, supported by the registrar general for England and the director of ordinance survey. That gives three members and then there are two appointees, one by the secretary of state and one by the minister of health. They are both political appointees. Those boundary commissions were set up by the Labour government in 1944—

Mr. Pickersgill: It was the coalition government.

Mr. Churchill: The coalition government, in 1944, and the act was amended in 1947 and consolidated in 1949. The Labour government had control for a certain period and the Conservative party in England has had control for a certain period. They have not changed the basic factors with regard to

the boundary commissions, except that in 1958 the government of that day saw fit to remove the registrar general and the director general of ordinance survey from membership on the commissions and make them officers of the commissions, in other words the technical experts. Also in 1958 they named a judge as deputy chairman of each commission.

That is the practice in a country which is politically mature, and both the Labour party and the Conservative party have agreed with that method. They have been content to have members of the boundary commissions appointed by the government of the day. Why do we have to withdraw from a system like that which has proved itself successful in England? Why do we have to get this watered down version that is proposed in the amendment put forward by the hon. member for Winnipeg North Centre?

Mr. Pickersgill: So that it will be on record at this point, will the hon. gentleman permit me to ask him if he would feel it satisfactory if, by the terms of this bill, the other two members were appointed by the government of the day?

Mr. Churchill: It is not suggested in this bill and I am not suggesting it now. Frankly I do not think it would make a great deal of difference, because most people appointed to responsible positions in this country conduct themselves in a responsible fashion. I know the Minister of Transport just threw that in as a little diversion.

Mr. Pickersgill: No. The hon. gentleman had commended the British practice where two of the commissioners are appointed by ministers of the crown.

Mr. Churchill: My point was not so much that they are appointed by the government as that they are appointed by political parties, which is the objection raised by the hon. member for Winnipeg North Centre, but I like the present provision in the bill whereby the prime minister and the leader of the opposition have the power of appointment.

The Deputy Chairman: Order. It being one o'clock I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Woolliams: In reference to the debate this morning I wish to make it very clear that I am against the amendment. I am sure the minister expected that I would be against it. I want to tell the committee why I am against it. In the second place I wish to refer to the question I posed to the minister before the recess. He circumvented it so well and expressed himself in so many words that unless I read, tomorrow, what he said I am sure I shall not be able to comprehend him, and neither would anyone else. And even then I doubt whether we shall be able to understand him.

As to the amendment, I should like to congratulate the two supporters of the government, in particular the hon. member for Vancouver-Burrard and I should like to incorporate the argument they put forward. First of all, let us remember we are asking the chief justice, under this amendment, to make certain appointments to the commission from among certain classes of people. Now the chief justice of a province is the highest judge in that province. Not only is he head of the courts but he is head of the judiciary in the province. He is appointed to that position not only because he is learned in the law but because he is a man of many parts, able to get along with his brother judges and with people generally; a man with experience of public relations, able to understand humanity and its workings. One of the fundamental things about the judiciary is that it must at all times maintain its independence. It must be completely independent of politics. It must be above prejudice. To ask a chief justice to make certain appointments which are bound to be somewhat political in their nature, whether we like it or not, is to put him in the position of making political appointments. We are shirking our responsibility, if we do so—either our responsibility for setting out clearly in the statute who we want to appoint, or the responsibility for making the appointments ourselves. In Canada the judiciary has been above reproach. The traditions of our bench have no doubt come down the ages from Britain and the common law of the Anglo-Saxons. It is on this basis that I say we should not place the chief justice of any province in the position contemplated by the amendment.

In the second place, we are lucky to have in Canada at this time—and I see him seated in the gallery, now—one of the most able chief electoral officers it would be possible to find.

Some hon. Members: Hear, hear.

Mr. Woolliams: In my personal association with him I have always found him very co-operative, whether in correspondence or in personal discussion. But let us remember—and this goes to the root of the amendment and of the bill itself—that if we give too much authority to one person in such a matter as this we could arrive at the rule of people, not the rule of law. As long as we have the services of the gentleman in question we have, probably, built-in safeguards. But I pose this question to the Liberals—and I know they would not want this to happen: Supposing there were a Conservative government in power in the future, and supposing in the near future there was to be a redistribution, and supposing the chief electoral officer was newly appointed, and supposing there was some lobbying between a Conservative minister and that chief electoral officer, what position would they take? I know no Conservative minister would engage in such a thing, but my point remains that we must always remember we are preparing law for the future.

I say that in this bill—and the amendment makes it worse—we are putting too much responsibility on one man. The minister said yesterday that if there were any difficulty we could refer it to the chief electoral officer of Canada. That is how we were to have the same procedure in each of the ten commissions. I am still not satisfied, and the position is only made worse by the amendment. Who is the boss of these ten commissions? I hope the minister keeps an open mind on that, too. Even though a number of sections have been passed very quickly—and the hon. gentleman's supporters said "carried", "carried" let us not hurry too quickly in this regard because we are dealing with something which will affect the future; and once law and precedent have been established they are most difficult to undo, it seems, even through parliament.

I certainly feel we are placing too much responsibility in the hands of the chief justice. As to the categories of people named in the amendment, I have nothing against the staffs of universities. But this proposal forces a chief justice to say: I must choose someone from a particular staff. I think that when we are dealing with a federal redistribution of constituencies we should look for personnel who are on a Canadian, a federal level. We should not now set up a commission on which we have provincial representatives, such as the provincial electoral officer, whoever he may be. To my mind his job is to look after the constituencies in a provincial matter. Why bring him into the picture on a federal redistribution; why make him an officer? We are supposed to be setting up an independent body, and I do not think this gentleman, whoever he may be, could be considered to be independent. There may be cases where it will work very well, but there could be the exception to the rule and, once again, you may be having the rule of people and not the rule of law. The only protection we have in so far as concerns making this an independent body is that we can spell out in the law what we are going to do; otherwise people in the future, or people now, may cause a miscarriage of justice.

I think the hon. member for Winnipeg North Centre said something this morning to the effect that justice must seem to be done. I do not think justice should seem to be done; justice should be done. This is important. You cannot have an independent body unless the law is such that the jurisdiction is spelled out very carefully so there will not be any miscarriage of justice.

The second point I want to deal with is this. I may be getting into a field of some sensitivity here. I do not think I have ever been one of those, and I hope I never will be, to hurl reproaches or recriminations at any one person; but I say frankly to the minister that if he had been really fair this morning—I was going to use the word "honest", but that would probably be unparliamentary because it would impute motives—he would have told us that as early as last night he had made up his mind that he was going to accept the amendment of the hon. member for Winnipeg North Centre. In fact, I sometimes wonder as I see the hon. member for Winnipeg North Centre sparring away with the minister, why they just spar here in the debating chamber, because they are really sleeping in the same bed when it comes to negotiating on this sort of thing.

Some hon. Members: Shame.

Mr. Woolliams: I am not so sure that I haven't hit the nail right on the head, because listening to the minister this morning you never heard so much padding in your life. There is only one other minister who can speak like that, and now we have two of them in the house who talk in this way. When I asked a question he said, "You are interrupting and putting me off my remarks". He did everything but answer the question. This morning the minister was padding away, in order to change his mind, and so he could

explain to the members of this house, to Canadians at large and to the caucus of his party when it meets that he had changed his mind. The reason he has changed his mind is that he has been sold a bill of goods by the hon. member for Winnipeg North Centre. In fact, I do not think they were even sold a bill of goods; they have been in partnership on the whole thing right from the beginning.

An hon. Member: Shame.

Mr. Woolliams: Somebody yelled, "Shame", and my answer to that is, it is a shame because it is going to usurp the workings and functions of this house. This is not my personal opinion; I have talked to a great many people about this, as I told you this morning. There is a feeling in this house that there is a great deal of justification for what I have said. If there is, I think the minister should clear up this matter because they have a long session ahead of them; there are some very tedious problems to be debated, and if the minister undermines the confidence of this house, as the person who takes responsibility on that side of the house, because many of us believe he is more powerful on that side of the house than the Prime Minister himself—

Mr. Pickersgill: Mr. Chairman, I wonder whether the hon. gentleman would permit me to ask him a question. Do I understand from what the hon. gentleman has just said that his conduct on any other measure before the house would be influenced in any way; that his judgment would be affected in any way by anything that happens with regard to this bill?

Mr. Woolliams: I am very happy to answer that question, Mr. Chairman. No, that is not my point and I am sorry the minister mentioned it. Here is my point.

An hon. Member: Ah.

Mr. Woolliams: You may say "Ah", but because of the conduct of the minister at this moment we will always place him in that category and will feel he is guilty of this type of conduct on every occasion; and this will undermine the very workings of this house—that is my answer to the minister. I would like to read what he said. What is the justification for the charge I have made? Let us read the very words used by the minister himself, which are to be found on page 741 of *Hansard,* the fourth paragraph of the right hand column, if anybody else wants to follow them:

> After various other possibilities were considered—

This is dealing with this problem:

> —the government—

He did not say himself; he said the government, and that means, if anything, to me, the cabinet.

Mr. Pickersgill: That is right.

Mr. Woolliams: I continue:

> —the government finally agreed to put in the bill the suggestion that the chief justice of the province should nominate the chairman from a member of his court; that the leader of the government, the Prime Minister, should nominate one of the members of the commission; and that the Leader of the Opposition, who is an officer of parliament, should nominate the other.

He said "after they gave it some consideration". After they gave it a year's consideration. He said he has been making studies of what has gone on in Australia, Great Britain and other countries—probably the United States, although I do not know how they work redistribution down there. But after giving it that kind of consideration they came to this conclusion. He no doubt led the cabinet in this regard. I know he cannot disclose what goes on at cabinet meetings, but he as the Minister of Transport is the spokesman, the one they know has the special skill to steer the ship of state and this bill through this parliament. He has been chosen by the grand old Liberal party to do this. He was no doubt steering the cabinet. No doubt he said, "Don't worry about it; Pick will do it"; and Pick was supposed to do it because the government chose him to do the job.

Mr. MacEwan: They got a "Pick" in a poke.

Mr. Woolliams: They then considered the matter. He left it out very carefully at the time of the resolution—

Mr. Pickersgill: Second reading.

Mr. Woolliams: Second reading; I am glad to be corrected in that regard. He left this out, either intentionally or unintentionally. I want to be fair to him but I do not think I will be quite as charitable as was the hon. member for Winnipeg South Centre. Perhaps he is more sophisticated because he has been here longer than I have. Instead of sweeping these things under the table I say to you, sir, that you have to make up your mind. You made the statement this morning that we would have time for consideration in this regard. The consideration

you meant was not from this side of the house; it was to worry whether you could get the whip to whip these boys into shape and get them to do something that the government had approved some months ago.

Mr. Pickersgill: Mr. Chairman, the hon. gentleman was kind enough to say that he wanted to be fair. I wish he would read the sentence that begins at the bottom of the page. I refer to the last sentence on the page beginning, "I do not hesitate to say". That is what I said, and I would ask the hon. gentleman to read those words.

Mr. Woolliams: All right, I will read it all so there will not be any question about it. Mind you, there is always a question when you are reading the words of this distinguished and illustrious minister:

> I say unreservedly that I have every confidence that no matter who occupies those offices, any person who becomes leader of the opposition in the parliament of our country—

That means he has confidence in Mr. Diefenbaker or any other future leader of the opposition, of whichever party—

Mr. Walker: Or yourself.

Mr. Woolliams: That is right; you are absolutely correct. That is the nicest thing that has been said to me all day.

Mr. Churchill: Do you want to withdraw?

Mr. Woolliams: I am quite certain that the same tactics as have been used—I do not want to go off on a tangent—on others will be used on me, and I do not know whether I want to lie on that bed:

> —or prime minister in the parliament of our country would take this responsibility seriously and make the kind of nominations that all of us would feel were appropriate under the circumstances.

Mr. Pickersgill: It is the next sentence that I should like the hon. member to read.

Mr. Woolliams: I know, and I am coming to that. Don't get excited.

Mr. Pickersgill: I am just getting intoxicated by my own words.

An hon. Member: That is not unusual.

Mr. Woolliams: I read a speech made by this minister four years ago, and when I read it I was drunk.

Some hon. Members: Oh, oh.

Mr. Woolliams: I continue:

> I do not hesitate to say that with respect to this provision or with respect to any other method which commends itself to the house or to a majority of the house and which seems likely to produce as fair and effective a result, the government will be quite prepared in committee to consider on its merits any amendments—

That is, we were going to consider them in committee.

Mr. Pickersgill: That is where we are now.

Mr. Woolliams: But they considered it before we reached the committee stage; they had made up their minds. So we might as well talk for days, or stop talking because the minister has made up his mind. If he was wanting to be fair this afternoon he would stand up and say that he had already made up his mind because he is in partnership with the hon. member for Winnipeg South Centre.

Some hon. Member: Oh, oh.

Mr. Woolliams: I am sorry, I mean Winnipeg North Centre. I correct that.

Mr. Hellyer: You do not even know in which direction they are.

Mr. Woolliams: I always have trouble with south centre and north centre, but I certainly meant north centre there.

Now, I know that the minister always puts safeguards in his phrases, and he did that when he said he would do it in committee. He thought that something might happen and that he had better put in one of his safeguards in the last sentence of one of his paragraphs. He intended that the clause in the bill would stand and to lead the Conservative party, the official opposition, to believe that he would support the official opposition and the government throughout on that particular clause, making no change. This may be imputing motives, but I think that there may be some ulterior motives in this respect. Because if we are to have an independent commission I think we will have a better chance to achieve it under the old clause than under the new. I can see why they want it, because to date there is still the provincial government of Saskatchewan to be considered. Whether they call themselves the C.C.F. or the New Democratic party they are the same, because in their ballots they include both. It is a catch-all phrase for the party.

I know that on the national level we do endeavour to get independent people in the civil service. I do not know what goes on in all the provinces, but perhaps there is not quite so much care taken in this regard. We have trouble with our negotiations; and surely we have enough as it is, with the contributory pension plan and various other plans. So let

us keep it on a federal level and appoint people to the commissions from the federal level. I re-emphasize once more that a judge is an officer of the court, that a clerk is an officer of the court and that a barrister is an officer of the court. Although we forget this on many occasions, we in the House of Commons are officers of the House of Commons. And above all, owing to our unique parliamentary system which has been adapted from the British system, the Prime Minister and the Leader of the Opposition are key officers of the House of Commons.

The minister himself says that he has absolute confidence in the men now occupying those places and the men who may occupy them in the future. Keep the judiciary out of politics; but I do not think you will keep politics completely out of any commission. Let us make it an independent commission by law. Instead of making it a rule of people, let us make it a rule of law.

Mr. Favreau: Mr. Chairman, while the hon. member for Bow River was creating and then dissolving partnerships between the Minister of Transport and either the hon. member for Winnipeg North Centre or the hon. member for Winnipeg South Centre, I was wondering about the first question which he put to the committee, as to whether or not the designation of the chief justice of the province was likely to be interpreted as placing the chief justice in a situation to act in a political fashion.

Mr. Woolliams: I did not suggest that he would act in any political fashion.

Mr. Favreau: No, but that it might be interpreted as such.

Mr. Woolliams: I did not even go that far.

Mr. Favreau: I am glad that the hon. member for Bow River admits that he did not go that far and did not intend to go that far, because as far as I am concerned, if this amendment is accepted—and I shall give my views on it in a few moments—the very fact that parliament will have designated the chief justice of a province for the purpose of choosing the officers of these commissions is, in my view, an indication and clear proof of the full confidence of parliament in the objectivity and lack of partisanship, to the judicial sense, of these persons who hold so high an office.

I think it would be a great compliment on the part of people engaged in politics, as we all are here, to rely on the chief justices of the provinces to make appointments which otherwise, even if we attempted to act in the most unpartisan and objective fashion, might be deemed by other people to be tainted with political considerations. It is precisely for this reason that in cases where certain difficulties between, for example, unions and employers have come to the point where they are almost insoluble that very often the confidence in the objectivity of the judiciary which parliament has prompts government to appoint one of our justices to solve the difficulty or controversy in question. I think it is a recognition of the complete independence of the judiciary when we leave it to them to perform such functions. In my view, this measure would remove all politics and political considerations from the appointment of the persons concerned.

A few minutes ago the hon. member for Bow River made reference to the fact that with regard to this amendment the Minister of Transport and the hon. member for Winnipeg North Centre might have been sleeping in the same bed. But all beds set aside, and duly noting that I was not here yesterday during the discussion and that therefore I am not aware of any position taken on the point, if I were asked my own view on the matter and were asked to choose between the formula which we the government have approved in clause 6 of the bill presented to this house and that which is reflected in the amendment proposed by the hon. member for Winnipeg North Centre, I would choose the amendment.

My view is that this would remove all political connotations from the appointments which are to be made, and in its application would render the act completely objective and free of all controversy.

Mr. Churchill: Would the minister permit a question. May I ask him whether he has lost confidence in the Prime Minister of this country and in the Leader of the Opposition, when he talks of removing all political connotations?

Mr. Favreau: I must say one thing, and that is that my confidence in the Prime Minister of this country has never been greater than it presently is, and the more we go on the more do I find extraordinary and wonderful justification to continue in my confidence.

Mr. Lambert: Why don't you get down to the office of the Prime Minister?

Mr. Favreau: But I must come back to one thing which has been said, namely that

to the extent there is any possibility of removing any doubt as to the permanent objectivity of certain decisions, we should act in a way to remove such doubt.

Mr. Churchill: Who is in doubt?

Mr. Favreau: I agree with the words uttered by the hon. member for Winnipeg North Centre to the effect that not only must justice be done, which we know would be done if the Prime Minister and the Leader of the Opposition appointed those people, but throughout the country it must be apparent and obvious that justice is being done, and this is precisely what this type of amendment will do. Because I am a new politician and still quite earnest in this field, I take this opportunity to note how useful are these discussions in committee. I think it is all to the credit of parliament and our parliamentary institutions that we should be able, in the way that we do, to exchange ideas and suggestions and to agree to accept suggestions emanating from any party on the occasions of these discussions in committee. These discussions go a long way toward asserting what we are trying to assert continuously, the triumph of democracy and the reflection of the deep thinking of all the people of the country in our legislation.

If an amendment such as the one which has been suggested is accepted I think we will have gone a long way in that direction. It does not mean that the government was wrong. The government suggested a formula which it thought was right. One which in my view is better and more flexible is now suggested, and there is no reason why we should refuse it. I know the vote will be completely free. I am speaking for myself at present but these are my views. If the amendment should be accepted I would suggest to the hon. member for Winnipeg North Centre that he might want to introduce certain amendments in it. For instance, instead of limiting the power to appoint or to choose to the chief justice of the province I think it might be appropriate if there were a reference also either to the associate chief justice, a position which exists in certain provinces, or to the acting chief justice so as not to limit the appointment power at any given time. When appointments are to be made the chief justice might be absent or sick or incapacitated for some reason.

Second, may I suggest that if the amendment should be accepted it should also be modified so as to provide for the choice to be made not only from the court over which the chief justice of the province presides, which is usually the court of appeal, but also from any court of superior jurisdiction with authority within the province. For instance, in the province of Quebec, as is the case in Ontario and most other provinces, the chief justice of the province is the chief justice of the court of appeal. The number of judges of these courts is limited to six or seven or eight. If the power to choose were widened to allow the chief justice to choose from among the justices of any court of superior jurisdiction within the province you would have a much broader field from which to choose. There might be a provision in the latter case, of course, for the chief justice of the province to consult with the chief justice of any such court of superior jurisdiction from whom a judge would be chosen. These are my views and they are very respectfully submitted to the committee.

Mr. Lambert: Mr. Chairman, we have heard a delightful exercise in tightrope walking by the Minister of Justice in trying to establish some kind of logic in respect of the government's, volte-face in this regard. I say this because we know what their position was, and their stand was such that the Minister of Transport even went to the extent of having the bill printed a second time with these provisions. Now we have certain amendments put forward by the hon. member for Winnipeg North Centre and I want to consider them in some detail. I do so because I think there is some defect, particularly in subparagraph (a), in that those named are all provincial officials. How on earth we can direct the chief justice of a province to pick one of a number of judges of his court I do not know.

An hon. Member: Require.

Mr. Lambert: Definitely. It is a named class. Later on we see that there can be no more than one from the class enumerated in paragraph (b), so in the case where a provincial government prohibits any of its officials from assuming the duties under paragraph (a) we then have a direction that the chief justice may pick anyone that he sees fit. Why not say so simply in the first place? To me subparagraph (a), with the restrictions imposed upon it by the proviso in subparagraph (b), is nonsense, and really what you have is a direction that the chief justice may pick anyone.

After all, in some of the provinces the chief electoral officer is the clerk of the legislative assembly and it is quite apparent to me that many provincial governments will not have the clerk of their legislative assembly involved

in the determination of the representation in this house. The surveyor general of the registrar of vital statistics are again provincial officials. They may or may not exist under those titles, but there are holders of similar offices. But a further point arises. If a province refuses to let any of these officials act in this regard then the chief justice may pick anyone.

In any event, I come back to the argument put forward so ably by my colleague, the hon. member for Bow River. The Minister of Justice has referred to the chief justice of the province, the associate chief justice—I think he has the province of Quebec in mind —and the acting chief justice. Why pitchfork them into the arena of the representation of the House of Commons? This is not a duty envisaged in the appointment of a chief justice. All too often we have heard that the role of the judges of this country should be limited more and more to the courts. When the Conservatives were in power I recall hearing hon. members on the opposite side saying that we were adding more and more to the duties of justices. It will be interesting to see how they justify this departure from the principle they insisted on before.

In the event that there is inability on the part of the chief justice of the province to complete nominating the representatives of the commission, then we bring in the chief justice of Canada. I must say that I find it somewhat strange that the chief justice, the senior puisne judge of the Supreme Court of Canada, should be ultimately in the position of naming anyone he may wish. This is what is envisaged in this legislation as a possibility, and if you are going to provide for it as a possibility you must accept it as a justifiable one. I suggest to hon. members that this should not be the case.

Turning to the qualifications of the third member I find the clause reads,

> (b) the president or other similar officer of or a member of the faculty of, a university, college—

What is meant by "college"? Is it a junior college?

> —or other educational institutions providing courses at a post-secondary school level in the province;

Does this mean an instructor, an assistant professor or some minor member of the staff? After all, the provision is there. We know very well that a number of people on the staffs of universities do hold strong, vocal political views. This clause of so-called political purity, as advanced by the hon. member for Winnipeg North Centre, therefore falls to the ground if he seeks to justify the amendment he is making by removing any question of partisanship by changing the provisions of the legislation in connection with nomination by the Prime Minister.

I would say to the Minister of Justice that in discussing the qualifications, capabilities or impartiality of the Prime Minister or the Leader of the Opposition, one must not consider the personalities of the right hon. gentlemen who are now occupying those positions. If you do this, you may be merely legislating for the next five years. One must consider the impartiality and responsibility of the holder of the office. I feel, therefore, that his rather passionate exhortation on the responsibility, ability and so forth of the present Prime Minister was not really germane to the discussion we are having today.

I did not have the privilege of hearing the Minister of Transport say why he had now changed his mind. He had been most eloquent, most persuasive. The Minister of Transport seemed to be in a very conciliatory mood during the previous session of parliament when he was discussing the proposed legislation. I thought at the time I might suggest other types of nominees, but there were certain difficulties. I did not agree with the idea of ten provincial commissions because I thought one commission divided into subcommittees could do the job just as well, and we would not have nearly all this difficulty. At that time the minister was in a very conciliatory mood, and I would suggest this is one more proof that when he adopts this attitude we must be more than ever on our guard because we will have a quick reversal of position. Perhaps since he has become Minister of Transport he has learned to shift gears very rapidly and can go into reverse gear very quickly. This is certainly a case where the Minister of Transport, if he now accepts the proposed amendment by the hon. member for Winnipeg South Centre—

Mr. Pickersgill: North Centre.

Mr. Churchill: I see no similarity between the two members.

Mr. Lambert: —North Centre, will have made a quick shift. I do find it extremely difficult to see any logic in the arguments that are said to be advanced by the Minister of Transport when he shifts from one position to the other. After all, the government must take its responsibility, not lightly, when it advances a bill. They should not say, "All right, here is our bill; we will amend it here, there and everywhere." As the minister knows, there are limitations to the amendments to bills. Are we to get into a position

where this bill is going to be amended out of any similarity with the bill that was originally introduced? The government must have assumed its responsibilities with due regard for the consequences, and having done so it must stand by the principle it has enunciated in the bill. I am quite interested, therefore, in ascertaining why there is now all this change.

Mr. Brewin: I do want to comment on the remarks we have just heard from the hon. member for Edmonton West. It would seem to me very reasonable for an opposition party to welcome what is called a shift or a volte-face on the part of the government. I, for one, would like to commend the Minister of Justice and the Minister of Transport for being willing to concede it is possible their original ideas could be improved upon. So far as I am concerned, that is the function of the committee. Why they should be castigated for doing what is sensible, doing what is consistent with the privileges of the members of this house, I do not understand.

Furthermore, I want to say to the hon. member for Edmonton West that his remarks illustrated to me the less attractive features of the profession which he and I both grace. In other words, he produced a skein of so-called logic which really had no practical sense in it at all. I know this is part of the function of my profession from time to time, but I only hope that the members of this house—I am sure they are—are sufficiently intelligent not to be taken in by these appeals to this—well, I was going to call it phony legal sort of logic.

Mr. Lambert: Will the hon. member wear his own sack cloth and ashes?

Mr. Brewin: With regard to the objections that were suggested, first of all he said this would be imposing a heavy responsibility on the chief justice. The most famous judges in England, the lord chancellors, have had wide powers of appointment in all sorts of fields.

Those whom we want for these jobs are persons highly qualified by their judicial knowledge, gained through the discharge of their non-partisan duties. Who better are there to do these jobs than the chief justices nominated here?

It is sometimes true, as the hon. member has said, that legislatures impose unreasonable tasks on the courts, but surely no one suggests that the making of this particular appointment is going to tax the faculties of our chief justices beyond endurance. In my own view, knowing some of them, they will probably be very happy to have this incursion into the field of appointment in such an interesting realm.

It is always easy to find difficulties; and instead of worrying too much about the difficulties suggested by the hon. member for Edmonton West, I think the changes suggested by the Minister of Justice, if my hon. friend from Winnipeg North Centre accepts them, and I suspect he will, should be adopted. The amendment is a definite improvement and I commend the government for its willingness to accept it.

Mr. More: I only wish to take part briefly once more in this debate. I am not going to hold anybody in suspense. I shall tell you right now I will not support the amendment. It will not take me as many words on *Hansard* to make my position unclear as it did the Minister of Transport this morning, because on whatever he said anyone could draw his own conclusion.

Perhaps that criticism is welcome to him. I am new in this field and I might adopt some of his tactics if I wanted to stay, but I do not feel in that mood today. I speak only for myself and on a non-partisan basis. The amendment has brought forth violent discussion and I cannot agree with it.

In spite of what the Minister of Justice has said I think by adopting the amendment we would put our chief justices into a position where, though acting to the best of their knowledge, judgment and courage, they would be subjected to criticism that might reflect on the judiciary as a whole. I have great respect for our judiciary, as I believe do all the people generally, and we have enough attacks on our institutions of democracy without throwing the members of the judiciary into a position where they might be open to a lot of criticism.

Having regard to the background of the members of the judiciary, I have always felt they were political. Lawyers have a special adaptation to active politics, and in most cases members of the judiciary have been appointed by the governments of the day because they were active in politics, and probably were friendly to the government of the day. However, that does not happen to be the case with regard to the appointment of the chief justice of Saskatchewan. Under the Conservative government a Liberal appointee was elevated to that high position, and I have not heard criticism of that action from anywhere in this party. This man had the ability required, and his associates and the party generally agreed with his appointment.

I will not support the amendment because I see in it a pitfall and an opening for criticism of the judiciary.

Another reason for my opposition to the amendment is that in spite of the good intentions of the hon. member for Winnipeg North Centre, I have no knowledge of the feelings of the public with regard to the present provisions of the bill, and that they will have doubts if the commission is not removed from politics. The hon. member has produced no evidence to that effect, and I believe this is a figment of his imagination that suits his own purpose.

I decry the innuendo and insinuation contained in what has been said in support of the amendment, and in the amendment itself, that here in the highest tribunal in the land there is an implied reflection that the prime minister and the leader of the opposition, acting in a responsible manner as officers of the house, would not do a proper job. I do not have any of these doubts. They deserve our respect, and we should not do anything that would add to the widespread criticism of the operations of parliament.

I read the speech which the Minister of Transport made outside the house and I say this kindly, that I think he became a party to the widespread criticism of the house. Yet he usually is one who is most busy in the debates, hurling charges back and forth, and appears to take a delight in them. When I came in here as a new member I was surprised to look across the aisle and see mature members of the house acting in a manner which I would not choose to follow. If I did, I do not think I would gain much respect from my constituency, the country and the house.

Mr. Nicholson: Would the hon. member permit a question? Did I hear correctly that he referred to the Minister of Transport as the spiritual leader of the house?

Mr. More: Well, he puts a lot of spirit into it. He is not always rising to speak, in fact sometimes he is sitting down. He started off rather unkindly in his reply to the hon. member for Bow River, but quickly caught himself, knowing that several times he himself has interrupted much more than the hon. member for Bow River.

Mr. Pickersgill: I am not as good at it.

Mr. More: You are very good at it; I give you full credit. Nothing should be said in this debate that would reflect on the operations and the officers of the house, and we should do nothing that would leave the way open for criticisms which would do injury to our courts of law. On this basis I am not prepared to support the amendment.

Mr. Pugh: After listening to the hon. member for Regina City I shall begin exactly the same way and say I definitely am not in favour of the amendment. My reasons run parallel to those of other hon. members who have expressed themselves against it. There seems to be a lot of worry about imposing this extra work on the chief justice, but I do not think it is a question of work. It is a straight political matter that should not be put in any chief justice's hand. If he were choosing among his own justices for one appointment, that is all right. I would go so far as to agree with that; but when he is going to step down and choose from other categories of people, that is going too far. No chief justice should be put in that position. Any chief justice could exercise the power properly and do the job admirably, but I still maintain he should not be placed in that position.

The amendment outlines the categories of people and says the choice must be made from:

> (a) the chief electoral officer, the surveyor-general or the registrar of vital statistics of the province or the holder of any similar office in the province;

Then there is an additional category. But why pick out these people? They are no doubt good civil servants, but in every province, as between one province and another, there is bound to be divergence. The point has also been made, and I think it is well taken, that in any of the provinces there might be a restriction imposed. I do not believe any government would really want its people to be placed in the position contemplated by the amendment. Then we have university presidents from among whom the selection may be made and, after that, anyone in a number of positions. It is here, it occurs to me, we would run into real trouble, because in many of the provinces members of the commission would be chosen from that last category. If a chief justice had to pull someone out of a hat he could do it admirably, no doubt, but I do not think he should be put into that position.

It is somewhat extraordinary to me that the Liberals should consider accepting the suggestion made by the hon. member for Winnipeg North Centre to change the methods of the appointments. The suggestion behind the amendment is that the Prime Minister and the Leader of the Opposition are two

politicians only. I resent that suggestion and I feel it is misleading. I think the Prime Minister and the Leader of the Opposition of the day are more than political heads. They have a responsibility to the people and to the House of Commons. They have worked their way up, and are responsible men. In addition, there is an overriding factor: They are officers of this house and as such they hold a responsibility which is not lightly assumed. Before we even think of changing the arrangements now contemplated we should ask ourselves what improvement could be brought about by placing the chief justice in the position of naming these two appointees. I believe one would get better appointments from the Prime Minister and the Leader of the Opposition. Let us remember that the chief justice is already appointing the chairman from among his own judges. For these reasons I cannot support the amendment.

Mr. Knowles: I shall not yield to the temptation to reply again to some of the arguments which have been put forward, but I think that one or two points made by the Minister of Justice do call for comment.

The hon. gentleman raised two questions of detail concerning my amendment. If I may take the second one first, he said he wondered whether the category from which the chairman of each commission was to be drawn should not be enlarged. May I point out to him and to the other members on the government side that in making the suggestion that—

> —the chairman of the commission for a province shall be appointed by the chief justice of the province from among the judges of the court over which he presides—

—the words I used are exactly the opening words of clause 6(1) of the bill which the government has presented to us. In other words, I did not alter in my amendment the arrangements for appointing the chairman. So if the Minister of Justice thinks that this provision should be enlarged I suggest he should do something about it himself.

The hon. member for Edmonton West says he got some inspiration from the hon. member for Bow River. That is good. Maybe we can make an all-party deal out of this, yet. I would be happy to agree to an amendment, or subamendment to my own amendment, along the lines indicated by the hon. gentleman if I could do so by unanimous consent, though it seems to me that since there is not unanimous consent to the amendment it might not be possible to secure agreement for making an alteration. But if an amendment were to be proposed in the first few lines, those lines having been taken from the government bill as it stands, I would be happy to have them changed either by altering my amendment, with unanimous consent, or by the minister proposing a subamendment to which I would be glad to agree.

The other question the minister raised was whether or not authority to make the appointments should be given not only to a chief justice of a province but in some cases to an acting chief justice or an associate chief justice. I cannot see that this is necessary, though I bow to the wisdom of the hon. gentleman in this matter. In the amendment which I have put forward provision is made for the contingency of there not being a chief justice to carry out the functions proposed, so I do not think there is much validity to the objection the minister has raised. As to the other point, it is up to him of course to decide whether or not the government's own plan for the appointment of the chairman should be altered.

Mr. Nugent: I should like to say a few words at this point. At first glance, the amendment moved by the hon. member for Winnipeg North Centre may seem to have a little merit. I am sure that if one does not think deeply about it the suggestion that the matter should be removed still further from politics is one which seems to be in keeping with the general feeling of the committee, that we should as far as possible remove the question of electoral boundaries from political machinations.

However, I wonder whether the hon. member really believes that his method is likely to achieve the desired effect. I should not have thought it would be necessary to remind the hon. member that judges in the provinces are usually political appointments, that when they are promoted to the office of chief justice it is usually a political appointment and that no matter how long they may have been on the bench and no matter how nobly they may strive to become non-partisan, for most of them it is almost impossible to erase their backgrounds from their minds. It would be almost impossible for them to take away from their judgment and experience the fact that many of their friendships have been formed over long years of political partisanship. When their duties involve a question dealing, as it does, with electoral boundaries, it would be humanly impossible not to think that in any appointments which were made the chief justice of a province must, almost certainly, reflect the political background which, as a public official—

Mr. Winch: Is the hon. member questioning the integrity of the justices of Canada?

Mr. Nugent: I am sure that if the hon. member for Vancouver East will hear me out and, indeed, if he had been patient enough to listen to exactly what I was saying rather than try to misread it, or mishear it, he would not be under any such misapprehension. For the education of that hon. member I will try to review briefly what I was just saying.

An hon. Member: Dispense.

Mr. Nugent: I was saying that no matter how well intentioned the chief justice is, no matter how long his experience on the bench, no matter how judicial he may have become in his outlook, and no matter how objective he tries to be, it is a fact that he has a political background. I suggest it is only human, when the chief justice is looking over the possible candidates for such an appointment, that those of his acquaintanceship are likely to be those of the same political background as himself. In fact, I cannot conceive of the type of people, the calibre of people who would be required to serve on these commissions not having had considerable experience in public affairs. Certainly I think all members of this house would judge their competence on the fact that potential candidates had gained some experience in political affairs, had taken at least that much interest in the government of their country that they would likely have affiliated themselves with one political party or another.

This is not suggesting that the judges are unfair or that they are not honest. It is, I submit, no reflection in any way on their character, their integrity or on the manner in which they would attempt to carry out their duties. But I do suggest to the hon. member for Winnipeg North Centre that he has deluded himself if he feels that this method is going to remove completely the political flavour. I suggest that it is impossible, bearing in mind that environment which pervades in most localities and the fact that public spirited, public minded men do take an active interest in politics, to avoid a political flavour being introduced in this respect. Personal knowledge of the qualities of the people who might be available for the job would be a factor which anyone would take into consideration when making an appointment, and an appointment made by the chief justice of the province would likely be someone of the party which originally appointed him; would likely be from among that circle of acquaintances that he knows best and in whom he has the most confidence. I suggest that—

Mr. Winch: Mr. Chairman, may I ask the hon. member a question at this very point? Is the hon. member suggesting that an appointment to this particular job of redistribution would be more political if made by a chief justice, or a justice, than if made by a prime minister or leader of the opposition?

Mr. Nugent: I will come to that point, Mr. Chairman. I want first to put in perspective the amount of non-partisanship there would be; or, to put it another way, to try to tell the committee why I think that merely because the appointment would be made by a chief justice is no guarantee that it would be entirely devoid of political character. As I say, acting with the utmost honesty, taking his duty as seriously as he could and trying to be as fair and unbiased as he could, the natural factors that would influence him in regard to this appointment would show a political tinge simply because he is going to appoint those people he knows to have the ability; he is going to appoint people he knows to have taken an interested part in the country's affairs. I say this will be so simply because the majority of those people with whom he is most closely acquainted and of whom he has most experience will have the same political background as himself. The odds are going to be that if he is a Conservative chief justice his appointments will most likely be Conservatives, and if he is a Liberal, his appointments will most likely be Liberals.

I say that the pressure will be—not the political pressure but the pressure of his background—his knowledge of people, and his circle of acquaintances will put the odds this way. How the hon. member for Vancouver East can suggest that by pointing out this fact I am in any way making light of judges or impugning their honesty or integrity, I cannot understand. Certainly we all know human behaviour. There are certain psychological pressures; there are certain factors which influence judgment and we must be realistic enough to recognize this fact. I am not saying it would be impossible, by any means, to avoid this. I am sure, from the judges and chief justices I know, that these gentlemen, especially after a few years on the bench, spend most of their years trying to learn to be really judicial, trying to block bias and prejudice from their minds. They have much experience in overcoming friendships with barristers and old acquaintances in cases with which they have to deal.

Also, those people are the first to admit to me that no matter how long they serve, no matter how hard they strive, they find it impossible to overcome completely this tendency.

I submit, Mr. Chairman, that the chief justice who is going to have to make these appointments will be quite as well aware of these tendencies as I am. I submit that it is going to place him in a very difficult and awkward position. I believe that the natural reaction of the chief justice in selecting his appointments will be, knowing that his circle is limited and knowing that he might be tempted because of his background, etc., to make the error of putting in people who are politically partisan in respect of one party, to attempt as an honest man to overcome this by consciously striving to put on the commission a Liberal and a Conservative. In other words I believe—and I could be in error, but I do have some experience with judges and am acquainted with them and the way in which their minds work—and I have been quite close to some of them for a long time and have had many opportunities to hear them expound the difficulties of trying to keep judicial—I believe that judges are very practical people, and that if the hon. member for Winnipeg North Centre had a little more experience of the courts and our judges he would know, or suspect at least, that in order to make certain they are being fair, to make certain they are not unconsciously prejudiced to one side or the other, would probably admit to themselves that the political pressure is on one side and that the only way to balance it is to make sure that they appoint one whom they know to be a Liberal and another whom they know to be a Conservative.

I suggest this with much sincerity to the hon. member for Winnipeg North Centre. In this way I think a judge will believe he has discharged his duty to be neutral by making two such appointments. He would appoint a very capable man from each party, who would have the effect of cancelling each other out, and would create much more confidence in the neutrality of the appointees than would be the case, were they merely selected from the group suggested by the hon. member for Winnipeg North Centre.

If my reasoning in this regard is not folly we are faced with the fact that the amendment amounts to this—that we should have a political, partisan appointment made by the chief justice of the province instead of by the leaders of the two parties in this house.

I cannot for the life of me justify this amendment on that ground. While I have said that chief justices, once they are appointed, strive to rise above partisan politics and become judicious in their outlook and neutral in their behaviour, although they do not become completely successful in this regard there is no doubt they do become a little removed from the scene and their contacts become a little old. They become a little out of touch with the people operating on the political scene no matter how much they remember those who in years past were the most influential, most important and perhaps wisest men in matters political in their area. Therefore my objection to substituting the chief justices for the leaders of the parties is that these men are out of touch. They are not so likely to know today's conditions; they are not so likely to know the various problems; they are not so likely to know the growth of communities, etc., as well as the means of communication in electoral districts; and therefore the people they choose are not so likely to be so well chosen or to be the best chosen as would be the case if the appointments were made by our political leaders, who are up to date on the situation.

The next point I want to make is that if this method works the way I think it will work, should we adopt the amendment, it would put the chief justice in the position of making two partisan political appointments, and to that extent he is mixing in politics. He is taking part in political questions in the community in a way which is contrary to his experience and training on the bench ever since his appointment. I do not think we should put the chief justices in that position. I do not think it is a role they would relish, and as I have said I do not think, because of their removal from the political scene, that they would make as good appointments as those who are presently acquainted with it.

With regard to the classes of people suggested by the hon. member for Winnipeg North Centre who might be chosen to fill these three posts, once you start to limit a very small class and give a very small choice to the chief justice you are going to suffer somewhat in quality. I am not sure that at this moment I can outline all of the qualifications which might be thought most suitable for members of these commissions, but certainly no one would question that intelligence would be one. They should also be well acquainted with the province. The fact that they have political experience demonstrates their interest in government, whether on the provincial,

municipal or federal level, and this would certainly be an important factor. Do they take their duties seriously? Have they worked hard at them? Once we start to impose qualifications and to seek people who have the most qualifications under each one of these tests, we automatically limit to an ever narrowing degree the choice which a chief justice has in his province.

If we are prepared to accept a group or class of people, such as university presidents, etc., and limit choice to this class, we are going to leave little or no choice. We are going to subordinate all of the qualifications which I think might be most valuable to the commissioner to the qualification of belonging to one particular class. For the life of me I cannot see that being the president of a university is a necessary indication that he has the proper qualifications for this type of job. It may be he is ideal, but it certainly does seem to be putting the cart before the horse in limiting the field in this way, and to say that we should pick from a class of people chosen for some purpose other than their suitability for this particular job. First things come first, and I suggest that the most important qualifications are those I have outlined. It is their fitness to handle the job, not their position in the community. All of this I submit is suggested in the amendment of the hon. member for Winnipeg North Centre, because he wants to put on the appearance of less political partisanship. I repeat that I think the objective here is to put on the "appearance" of less political partisanship, not to make it less political.

For the reasons I have outlined I cannot but come to the conclusion that the appointments on either side would cancel out—and all of this for what? I am not sure that I follow that type of reasoning. I think the people of this country are quite used to the fact that matters political are usually handled by the politicians; that when appointments are made by one party or another—especially if appointments are made by one Liberal and one Conservative—we are going to have two people appointed who will be watching very closely that the rules are followed and that things look good as well as are good. Neither one is going to dare press for a political advantage for his party because he knows that the other is going to make sure that this is known to the public. I suggest it is somewhat akin to the argument about outlawing the communist party. Should we outlaw it or have it where we can watch it?

That is what we are doing here. Political partisanship is open and aboveboard. The motives and actions of these people will be in full view. There is no doubt that they are partisan to one side or the other and that they are going to be most carefully watched for that very reason. Their motivation does not have to be sought for because their actions are going to be examined most closely. I suggest that by this method, putting them out in the open instead of erecting an artificial fence around them, we get a realistic approach to the problem.

There is one other possibility, of course. I have not studied the amendment closely enough or perhaps do not know the country well enough to be sure that there are enough possible choices from among the categories listed. It might be that a chief justice would not be able to find the requisite number of candidates in that province who would come within these categories. Before the hon. member for Winnipeg North Centre objects too strenuously, I suggest that these people have to be ready, willing and able to serve, so that to say that the number is surely sufficient in each province does not go quite far enough. I suggest that possibly only 10 per cent of those in these categories would even consider accepting an appointment to serve on such a commission. If you are going to restrict the categories unnecessarily from which the choices can be made you are likely to find yourself faced with an unsolvable defect by reason of this amendment.

Let me make one further point about the agreeability of such people to serve. I cannot see that it would make the people appointed any happier to be appointed by the chief justice. If the chief justice is a Liberal and a Liberal is appointed, even though the chief justice is supposed to make non-political appointments I am sure the appointee is going to feel a little uncomfortable about his position on the commission. The same is true of his cohorts on the commission.

I suggest there is nothing that would make a man serving in such a position feel more comfortable than to know that his appointment had been made by a leader of a political party because of his qualifications for the job and that no one was going to expect him to be anything but a Conservative, if he was one. I am not suggesting that because a person appointed is a Liberal or a Conservative he is going to put his party first. I know there are many in all parties who would strive to their utmost to rid themselves as far as possible of any political bias, who would

study objectively all the problems that will have to be faced by the commission, who would, I am sure, give of their utmost, and who would try to adopt a judicial attitude. However, for the same reasons I have referred to in regard to the inability of the chief justice to rid himself of any possible bias or prejudice it would be that much more difficult for the man appointed. Certainly if he has never had any experience on the bench in trying to acquire a judicial mind and an objective outlook he is likely to be still highly partisan in his method of approach, no matter how hard he tries to be otherwise. I suggest that any honest man who is appointed is going to be aware that he will be incapable of becoming completely objective and non-partisan.

Mr. Winch: Could the Leader of the Opposition be non-political?

Mr. Nugent: I am afraid the hon. member for Vancouver East is a little slow this afternoon. By that I do not mean to imply that this is unusual but I have noted it particularly today from his questions to me. I have not suggested that an appointment either by the Prime Minister or the Leader of the Opposition would be non-partisan. I am quite sure and have every confidence that these gentlemen would have the good sense to pick people who are party supporters. From their experience over the years I am sure they both believe that in each province they can get the very best people for this kind of job from within their own parties, and do not have to look elsewhere.

I was talking about the viewpoint of the person who is appointed. I have said that the people appointed, no matter how hard they try to be objective, do not have judicial experience and will not be able to rid themselves of some partisan feeling. I suggest it is rather a weight on the conscience of a person who is trying very hard to do a good job to feel that he may not be entirely rid of bias. I suggest he would feel a lot more comfortable if he were appointed by one person and his opposite number had been appointed by the other. He can say to himself: I am trying my best to get rid of prejudice and I have not quite succeeded, but my friend over there who is trying just as hard has not quite succeeded either. So we would hope that the amount of prejudice left would balance out.

I suggest this is a very healthy attitude to take. It is a healthy and honest state of mind. I suggest that we defeat the proposed amendment so that we will have greater scope to place emphasis on appointing those most qualified without restricting ourselves unnecessarily to a small number of people. I suggest we do not put the chief justice in the position of having to make such appointments, which would make him feel uncomfortable and which he would not want to make. I suggest that if we get rid of this amendment the people who are appointed are going to be happier with their appointments. In the eyes of the people of the country the approach will be a more honest one and it will be a more honest approach so far as the appointees are concerned. They will have a healthier attitude toward their job, a healthier atmosphere in which to work and I think we will get the kind of people we want on these commissions. Therefore I hope we will defeat the amendment.

Mr. Favreau: Mr. Chairman, when I spoke previously I referred to the fact that in my view the scope of the amendment should be broadened, if it is to be accepted, so as to allow the chief justice of the province to choose the members of the commission not only from among the members of his own court but also from among the members of any court of superior jurisdiction appointed for the province concerned. I also referred to the fact that it might be advisable, in the event of the disability, incapacity, absence, sickness or otherwise of the chief justice, to provide for the acting chief justice to act in his stead. In order to cope with this situation and to make the necessary provisions I move the following subamendment:

That the following words be substituted for subsection 2 of section 6 in clause 1 of the amendment as moved by the hon. member for Winnipeg North Centre.

"2. In the event that there is no judge of the court over which the chief justice of the province presides able or free to act as chairman of the commission the chief justice of the province shall, after consultation with the chief justice of any other superior court in the province, appoint a chairman from among the judges of that other court, but where for any reason no appointment of a chairman or of either or both of the two other members other than the representation commissioner is made within the time provided therefor by this act the Chief Justice of Canada or in the event of his absence or incapacity the senior puisne judge of the Supreme Court of Canada shall make the appointment or appointments from among such persons resident in the province as he deems suitable.

3. A reference in subsections (1) or (2) to the chief justice of a province, includes a reference to the acting chief justice of the province or any

person performing for the time being the duties of chief justice thereof;"

And that clause 2 of said amendment be deleted.

Mr. Woolliams: I wonder if the minister would care to explain what he means by that amendment?

An hon. Member: Do you want it in four letter words?

Mr. Favreau: If I had somewhat less confidence in myself, especially after the speech I made a few minutes ago, I would really work up an inferiority complex after the question put by the hon. member for Bow River. I thought I had explained that the first subparagraph of the amendment to the amendment means that henceforth the chief justice of the province, who normally and in most provinces is the chief justice of the court of appeal, will not in his choice of a chairman be limited to the members of his own court, which is always rather a limited one in number. He will be able, after consultation with the chief justice of any court of superior jurisdiction rendering justice within the territorial boundaries of the province, to choose from among the members of that superior court, whose numbers are always greater than that of a court of appeal.

The third subparagraph of the amendment to the amendment provides that in the absence of the chief justice himself, either the person appointed as acting chief justice or the person acting in the name of the chief justice, will be able to perform the same duties.

The last paragraph of the amendment deletes the second clause of the original amendment because there is no longer any requirement to renumber the paragraphs. Now, we have paragraphs 1, 2, 3 and 4 as we had before.

Mr. Woolliams: That was clear.

Mr. More: I do not believe the subamendment improves the situation at all. I think it passing strange that all of a sudden, instead of having the Minister of Transport piloting this bill through the house, his duties seem to have been taken over by the Minister of Justice. Perhaps the reason is that the Minister of Justice has a little more courage now than the Minister of Transport has, because the Minister of Justice was frank enough to state in clear terms his position on the amendment. We have not had any such statement from the Minister of Transport. It would be very interesting to all of us to have a statement as to just what his position is now with regard to the amendment and the subamendment.

The bundling which is evident between the C.C.F. or N.D.P. and the Liberal party is passing strange. I have not a suspicious nature at all but after observing what is happening during this debate there would seem to be some substance to the suggestion made earlier by the hon. member for Bow River. During this debate we had two members of the Liberal party speaking against the amendment. I noticed that when they sat down they both received a round of applause from the other members of their party for the views they had expressed. It seems to me they must be just as confused about the stand the minister is going to take as we are in the official opposition.

As I say, the bundling between these two parties is passing strange.

Mr. Winch: What is wrong if it is right?

Mr. More: Let us bring it out in the open, instead of having all this nonsense. Let the house leader get up and say that after consultation with the hon. member for Winnipeg North Centre this deal was made. Then we would know exactly where we are. I am talking about the Minister of Transport.

I say this bundling is quite strange and quite interesting because the leader of the C.C.F.-N.D.P. has just returned from Saskatchewan. I am sure he was not out there bundling with Ross Thatcher. If there was any bundling between these two parties, I do not know whether it was with the C.C.F. part of the Saskatchewan group or the N.D.P. part, because there are two groups. In fact, practically speaking, there are three groups. It is a very interesting situation.

In some earlier remarks I made I expressed confidence in the courts of this country and in the personnel of those courts. However, I am quite frank to admit that I believe possibly 100 per cent of these men had an active political background and were appointed under their respective governments not only as a result of their political activity but because of their ability at the bar. However, they have been appointed and have been impartial. In my opinion, the amendment is going to place many of these judges in an awkward position. Even if they fulfil their duties as earnestly as they possibly can and as impartially as they can, they may still be judged for political activity. To me, this is very bad.

Mr. Knowles: Will the hon. member permit a question?

Mr. More: When I have finished. This is a very bad precedent for us to set at this time.

This is a federal responsibility and provincial officials should be left out of it. It opens the way for some criticism to be levelled at the members of our courts, and by insinuation and innuendo—I do not know two better words to express it—the adoption of this amendment reflects on the integrity of the Prime Minister and the Leader of the Opposition. It reflects on them because it is based on the fact that we do not trust them to fulfil properly their functions as officers of the house.

We already have sufficient criticism of this institution, and we should be on guard against helping to extend that criticism. I have been amazed with the stand taken by the two government frontbenchers, and it is apparent that the Minister of Transport is now very quiet, very reserved and has very little to say.

Mr. Knowles: Would the hon. member permit a question?

Mr. More: Yes, certainly.

Mr. Knowles: My question is based on the concern of the hon. member for Regina City lest by asking the justices to make these appointments we are involving them in something that is political. How does he square that concern with his acceptance—and I accept it too—of the government's main proposal, namely that the chairman of each of these commissions shall be a judge, perhaps indeed the chief justice of the province, and that he shall be concerned with the actual drawing of the boundary lines?

Mr. More: I do not have any trouble at all in that regard. The mind of the judiciary to analyse and judge propositions is better than that of ordinary persons.

Mr. Knowles: Then does not the hon. member think the mind of a justice is capable of impartially picking people to do a fair job?

Mr. More: I do not suggest that is not so. I said "consciously and impartially to the best of their ability". I am talking about the judgment of the people of Canada.

Mr. Knowles: Now, no innuendo against the judges.

Mr. More: There is no innuendo at all, and I make that clear. What I am saying is that if a justice makes an appointment, and the actions of a commission of which his appointee is part are not acceptable to the people of any area, then they are going to point a finger at that justice. This is a logical assumption. So far as the officers of the house are concerned they have a right to be subjected to such criticism if it is necessary, but I do not think it is right, fair or proper that the judges of our courts should be put in this position.

Mr. Nielsen: Mr. Chairman—

Mr. Winch: I understand you are talking it out until five o'clock?

Mr. Woolliams: I rise on a point of privilege, Mr. Chairman, since the hon. member says we are talking it out until five o'clock. We have just had a long subamendment presented by the Minister of Justice, but just because an arrangement or marriage has been made between the government party and the hon. member's party, there is no reason to point the finger at us.

The Chairman: The hon. member for Yukon has the floor and should not be interrupted.

Mr. Nielsen: Mr. Chairman, the hon. member for Bow River took the words right out of my mouth. I was about to say we have witnessed a very curious but entertaining spectacle this afternoon when, having been pressed by the hon. member for Bow River, the Minister of Transport refused to confirm what he had led the house to believe on a previous occasion, when his words were recorded at page 741 of *Hansard*. But it seems he is somewhat smoked out now by the Minister of Justice, and perhaps this is the minister's way of getting back at the Minister of Transport for his lack of co-operation in assisting the government house leader in properly organizing the business of the house.

I think maybe the Minister of Transport has felt his nose is a little out of joint because of the new role of the junior Minister of Justice, and there is this constant play back and forth between them, with the Minister of Transport sitting back and smiling at the difficulties which the Minister of Justice often finds himself in. But he is in another difficulty now because he has presented the committee with a subamendment which, to use the words of the Minister of Transport when he quoted the house leader of the official opposition, is deserving of the most careful consideration by all members of the committee before we make any decision on this very important matter.

I was very interested in the remarks made by the hon. member for Vancouver Quadra and the hon. member for Vancouver-Burrard, both of whom had the courage to stand up and say they were opposed to the amendment

proposed by the hon. member for—I often forget his constituency but I think sometimes we might refer to him as the hon. member from heaven because he is so often referred to as the constitutional conscience of the house, and because so many other references are made to him respecting his knowledge of the rules and procedures of parliament.

An hon. Member: The rule of purity.

Mr. Nielsen: Yes, the rule of purity. I want to say something about this for a moment, because the hon. member for Winnipeg North Centre has spoken at great length about the appearance we must give to the people of Canada in this legislature. For the moment I forget which great philosopher came out first with the expression, but I am sure the hon. member is familiar with it, that one must not only appear to be pure; he must be pure, because there are so many variations in the arguments he presents from time to time, not only with respect to this measure but with regard to other matters.

Before I was distracted I was speaking about the remarks of the hon. member for Vancouver Quadra and the hon. member for Vancouver-Burrard. These two hon. gentlemen had the courage to stand up and express their opposition to the amendment. I would like to see the hon. member for York-Scarborough, who has been paying very painful attention to everything said in this debate, state his position. Similarly I would like to hear from the political scientist in the committee, the hon. member for Northumberland.

Mr. Moreau: Did the hon. member suggest that the hon. member for York-Scarborough should get up and state a point of view with which he did not agree? I happen to support the amendment.

Mr. Nielsen: Well, now I know where the hon. member stands. More of those backbenchers should get up and adopt a similar course.

Mr. Knowles: You will know where they stand if you let us have a vote.

Mr. Nielsen: The hon. member says let us have a vote and we will find out where everybody stands. I would point out that this is the first time I have contributed to the discussion, while he has been on his feet several times. In the words of the Minister of Transport, I would like to tell him that this is a matter which deserves very careful consideration.

Mr. Knowles: Mr. Chairman,—

The Chairman: Order. Could the hon. member address the Chair? There has been an exchange of conversations and remarks on both sides, which make it very difficult for the Chair to follow the speech of the hon. member.

Mr. Nielsen: I do not for the moment intend to question the ruling you have just made but perhaps, with great respect, it might have been better directed to other hon. members who are interrupting.

The Chairman: The hon. member should realize I am not objecting to his speaking but to other hon. members interrupting him while he is speaking.

Mr. Nielsen: Thank you, Mr. Chairman, for over-ruling the hon. member for Winnipeg North Centre, who does not appear to want to let me talk. I am glad to see that the democratic safeguards are in capable hands.

I think more of the backbenchers on the other side should be just as courageous as the hon. members I have just mentioned for Vancouver Quadra and Vancouver-Burrard and that inimitable member for York-Scarborough who has also taken a stand on the amendment. I think however that had the Minister of Justice not come in when he did to make his statement, after whipping the rug from under the Minister of Transport, there might have been more of those opinions expressed with that complete field of expression to which the Liberal party is so consecrated from time to time, when it sees fit.

I think one of the reasons why this amendment was put forward is probably that the hon. member for Winnipeg North Centre and his friends are probably a little miffed because, under the bill as it stands, it is the prime minister who has to make one of these appointments and the leader of the opposition who has to make the other. I think some personal objection to this system has entered into the sound judgment which the hon. member usually shows with regard to these matters. Perhaps if we could have commissions made up of five members, of which the hon. member's own leader was able to appoint one, the amendment would not have been put forward in its present form.

The hon. member made a great case for the impartiality of the judges who would have to make these appointments. However the hon. member for Edmonton-Strathcona left the impression that impartiality of this type among our judges could not altogether be expected. As a matter of fact, the legislation

itself does not repose that confidence in the judges concerned which the hon. member for Winnipeg North Centre and the Minister of Justice would have us believe is there.

If we follow carefully the wording of the amendment as it appears on page 2275 of *Hansard*, we find the following words in (1) (b)—that is, the second (b) about halfway through the paragraph:

—and in the event that within either or both of those classes there is no such person able to act as a member of the commission, the chief justice of the province—

—and here follow the important words which belie the confidence expressed by members such as the hon. member for Winnipeg North Centre—

—with the approval of the representation commissioner, shall appoint—

And so on.

If we do not trust these judges to make the selection on their own responsibility, why should the hon. member for Winnipeg North Centre and the Minister of Justice be making such a great to-do about the impartiality of judges? The fact that those words are there raises the suggestion immediately that we do not trust the judges because we intend they must get the approval of the representation commissioner, first. That is the implication of the words I have just read. Otherwise, why would they be there?

Mr. Knowles: Would the hon. member like an answer to that question? They are there for the protection of the judge. When a judge is naming a member of a commission from the categories (a) and (b) he has those categories set out before him. Those words are inserted to provide for cases when no one is available in those categories, and the judge has to pick any suitable person in a province. It is my view that this provides protection to the judge in the event he has to roam all over the province, because he has someone else to agree with him.

Mr. Nielsen: That is a most fallacious explanation of the existence of those words. What protection does a judge need? If we are to repose in him confidence that he will make an impartial selection, then surely that confidence must be wholly placed, not subject to the approval of any other officer, whether it be the representation commissioner or not, even when a nominee is not to be found in the first two categories set out in the amendment. Here is where your partisanship creeps in.

Mr. Knowles: Address the Chair.

[Mr. Nielsen.]

Mr. Nielsen: I do not need the hon. member to lecture me as he is fond of doing so often in this house.

An hon. Member: Address the Chair.

Mr. Nielsen: I have been addressing the Chair. I have been doing so throughout my remarks. I do not use personal pronouns. I am speaking metaphorically when I say: "Here is where your political partisanship creeps in". Here is where it does creep in. The hon. member has been making a great to-do about the proposed amendment providing freedom from partisan considerations. But we all know that, as honest and honourable a man as the representation commissioner is, a man of complete integrity as far as I am concerned—and I am personally acquainted with him and have been for several years; I know him to be this—but I do know the procedure which is adopted, for instance, in connection with the selection of returning officers, when he always talks with the government in power at the time before a final selection is made. That is my understanding of it, and if I am wrong—

Mr. Pickersgill: The hon. gentleman is perhaps doing a grave injustice there. The returning officers are appointed under the elections act, which was enacted by the government which he supported a few years ago. The returning officers are appointed by the governor in council. They are not appointed by the chief electoral officer. In other words there is no question of his consulting with anyone, they are selected by the cabinet.

Mr. Nielsen: As I say, my recollection of the procedure followed in this regard may not be accurate, and I invited correction if I was wrong. But I know that in connection with certain procedures under the elections act the chief electoral officer, as he was then, was required from time to time to give opinions, perhaps not under the act; but he did, in fact, give opinions from time to time. I am not suggesting here for a moment anything against the integrity of the representation commissioner. But it is a possibility, whether this government or any other government is in office that a judge, if these words were left in the amendment, would submit his choice to the representation commissioner whose final approval might or might not be given if any interference with that approval was put forward by any government of the day. Therein lies the danger of introducing partisanship.

Mr. Winch: Whom would Diefenbaker submit his recommendations to?

Mr. Nielsen: I wish proper references might be made in this house to the officers of the house. I am sure the hon. member for Vancouver East is referring to the right hon. Leader of the Opposition. I think he should abide by the rules and refer to him as such.

Mr. Winch: Then may I ask to whom would the right hon. Leader of the Opposition refer his recommendations, so as to make it non-political?

Mr. Nielsen: I had made myself quite clear, I thought, when I was referring to this point. The danger of political partisanship creeping into this is in my view very real in the circumstances which would be brought about by the amendment if it were passed. I do not care whether the present government is in office or whether any other government is in office. The danger would be for the government of the day to influence the giving of that approval or the withholding of that approval. That is the weakness, and it arises out of those particular words used.

Surely we cannot have that impartial selection by a judge if we are going to subject that selection to the approval of someone else. I would suggest to the Minister of Justice and to his colleague the hon. member for Winnipeg North Centre that they get together again and reconsider this particular subclause, perhaps with a view to removing those words entirely, because I think they present a real danger to the very thing we are trying to achieve.

Another point was raised by the hon. member for Edmonton West. I refer to the question of the federal government's authority or power to clothe a judge of a province with the right to appoint in some cases what might be a provincial official. Perhaps this is a matter which is deserving of the consideration of the premiers of the various provinces, because there may very well be objections raised by the provincial governments to having any of their officials act as a member of such a commission. Certainly we have not been given any assurances by the ministers concerned that such consultation has taken place or that the provincial governments concerned are agreeable to their provincial officials so acting. This is a very real criticism in my view.

Perhaps I might also point out that the hon. member for Winnipeg South Centre and the hon. member for Bow River made a very knowledgeable appeal last night to the government to set up one commission. The great concern that has been expressed here today about the impartiality of judges making these selections and about the other difficulties which confront us if we adopt the amendment or the subamendment is a further argument for setting up one central commission, because if this were done all these difficulties would be avoided entirely. Even though it now seems to be completely out of the minds of those who form the government, this suggestion of one centralized commission might be once again considered with some care.

I think I should also say, Mr. Chairman, that I am sure none of us here argues about the independence of the judiciary. The judiciary have always displayed, when dealing with those matters with which they are charged, that impartiality and judicial capability of which I am sure all of us are proud. I think I said when participating in the debate at the resolution stage that we should not get our courts or judges involved in politics. I suggest to the hon. member for Winnipeg North Centre, who has also made much of this fact, that by having the judges make these appointments he would be doing just that. All he would be doing would be to transfer the partisanship that the hon. member suggests is going to be displayed if the Prime Minister and Leader of the Opposition make the selection. He would just be transferring that partisanship over to a judge. I am sure we all believe that a judge will not display any partisanship when making these appointments, and let us all hope that no judge will display any more partisanship in making these selections than judges have in the past in the case of controverted election cases which have come before them, when some have allowed an examination of the poll books and some have not. Perhaps we are seeking that kind of impartiality.

May I suggest to the hon. member for Winnipeg North Centre that all he is doing by his amendment is involving the judges in the very partisanship that he wishes to avoid. All that is happening is that you are transferring a political decision from officers of this house, who are very able to make that decision because of their background and experience, and laying it in the lap of a judge. It is very, very dangerous and very wrong to involve our judges and courts in political decisions with regard to whatever selection is made, and members of this house and political parties of this house are going to be completely dissatisfied with that decision. If that is not involving our judges in a partisan problem, then I do not know what is.

One point that I touched on briefly and want to enlarge upon before concluding is this business of political experience. I favour the clause as it stands, because you have the chief justice appointing one member, you have the prime minister appointing another member and you have the leader of the official opposition appointing the third member. What men in this country are more fitted, by reason of their background, by reason of their political experience and by reason of their integrity—otherwise they would not find themselves in such positions—to appoint members to such a commission? Surely this counts for something. The prime minister, with his vast experience inside and outside parliament, and likewise the leader of the official opposition, with his own precious store of experience gained over many years of service in public life, are best qualified to make these selections; and surely no one in his right mind would suggest that any person who has attained the office of prime minister or leader of the opposition would exercise anything but the purest motives in selecting the members who are to serve on such a commission.

Some hon. Members: Hear, hear.

Mr. Nielsen: I leave it at that, Mr. Chairman, and for those reasons I would again appeal to the ministers to give the lead to their own backbenchers, or to the backbenchers on the government side to rise and freely express their views, throw out this undesirable amendment and support the clause as it was when originally introduced by the government and which we were led to believe was going to be kept intact, as the Minister of Transport seemed to say on page 741 of *Hansard*.

Mr. Pickersgill: Mr. Chairman, since I have been called into question and it has been suggested that I ought to say something about this matter, and I have kept silent all afternoon waiting for an opportunity—

Mr. Gregoire: Mr. Chairman, I would like to ask a question of the Minister of Transport. Since many of us in this house have some questions to ask, would the minister prefer to answer all the questions at one time, or answer some now and some later?

Mr. Pickersgill: I shall try to be very brief, so that if there were any questions before five o'clock—we are getting perilously close to it—I would be glad to answer them. But there are one or two points I should like to make clear, because several hon. members seem to know the content of my mind rather better than I do myself. I think I ought to start out by saying that in the whole course, not just of my public life but in the whole course of my life, I have never been paid such a compliment as I have been paid today, having people, starting with the old and experienced hon. member for Winnipeg South Centre—

Mr. Churchill: Did I make that mistake?

Mr. Pickersgill: The hon. gentleman even went so far as to call me a gentleman, for which I am pathetically grateful. Every hon. member of what we call the official opposition in this house—and they do not very often do this on my behalf—has praised my authorship; they have suggested that I must have had almost divine guidance in drafting the original clause 6 in the bill, because they are so anxious to preserve it. They have suggested that they suspect my motives. I am not going to say that I suspect theirs, because I do not really believe in that kind of argument; but I do think, as I said when I moved the second reading of this bill on March 10, that this was the best method that so far the government had been able to devise and recommend, and that is why we put it in the bill.

But no one recognized more clearly than I that this method of appointment would be open to question. I knew why it would be open to question. One hon. member during the course of this debate—so many have spoken I am not sure I can recall who—asked what we were doing with this bill anyway. The answer is that we want to take redistribution out of politics. However, it seems to me that, however eminent the Prime Minister and the Leader of the Opposition, who are both officers of the house, they are nevertheless—and I honour them both for this—political leaders. Therefore, to give them the power to make these appointments does not completely take the matter out of politics. As I said on second reading, it would achieve impartiality if by impartiality is meant weighing one thing against the other. But that did not necessarily mean that every one of the ten commissioners appointed by each of them would be impartial. I do not care who appoints these commissioners or how they are appointed, you will not remove the human element.

Some hon. Members: Hear, hear.

Mr. Pickersgill: The only consideration we should have in our minds is to remove any

suggestion of political partisanship or partiality as far as we can. That has been my objective and it has been the objective of the government from the beginning.

I must confess I was a little shocked to hear the hon. member for Winnipeg South Centre commend the method of appointment used in the United Kingdom, where one of the commissioners is appointed by the home secretary and one by the minister of housing, or whoever it is—his title has been changed since the original act was passed. But the appointments were made by two cabinet ministers. I can just imagine what would have happened had we brought in a bill suggesting that the secretary of state—as I then was—and the Minister of Justice should appoint two of the four commissioners. I can imagine the kind of speeches we would have heard. Yet the hon. member for Winnipeg South Centre commended the British practice. I asked him specifically about this at one o'clock, because it did seem to me that we on this side of the house had bent over backwards to try and prevent any political interference, or interference by politicians, at any stage in this process.

A bill brought in by the previous administration had many admirable features, but it had one feature which was criticized very strongly, and that was that appointments were to be made by the governor in council. I used the phrase that we did not want to take redistribution out of parliament and put it in the cabinet, and that we have sought not to do.

I tried various suggestions. As hon. members know, when we first discussed this matter on the representation commissioner bill in 1963 I said that one of the possibilities we would explore was having these appointments made by the Speaker. Then when I looked at the experience of Australia, where they have one judge—or in some states they have one judge—the commonwealth electoral officer, the state chief electoral officer and the surveyor general, and when I looked at the experience of the only two Canadian provinces where this non-partisan process is carried out by three persons all divorced from politics, it seemed to me that if we were to find a method of doing this the weight of experience was in favour of designating the kind of persons who would have the requisite experience and positions in the community which would make them as little likely as any other people to be partisan, and as much likely as possible to be objective. I am sure that is why Mr. Frost, when he recommended the establishment of the commission in Ontario, recommended that there should be a judge, the chief electoral officer and an eminent professor from Queen's University. We know what happened in Manitoba, where the law itself says who these people are to be.

When I spoke on March 10 I did not think that anyone could devise an amendment which would bring about the kind of situation which would enable parliament to prescribe the positions. Frankly I did not think it was possible.

Mr. Woolliams: When did you change your mind?

Mr. Pickersgill: I never changed my mind at all. My mind was made up on March 10 when I said that if we could find people who could be designated to do this task that would be the best way; but I said I did not see how we could do that unless, as the hon. member for Bow River said, we used federal civil servants. However, I knew what would be said if we tried to appoint federal civil servants. It would be said at once that they are under the control of their ministers.

I ask myself, if the bill is accepted in its present form and the Prime Minister and Leader of the Opposition make these appointments, what classes of persons are going to be appointed? I have talked to the Prime Minister about this. I have not talked to the Leader of the Opposition about it, but I know that the Prime Minister does not relish the prospect of making these appointments, and I would be very surprised if the Leader of the Opposition would relish it either. I am sure he would do it as a duty, and do it well and conscientiously; and I have no doubt about the Prime Minister on that score. But I do not think it would be a tragedy—in fact, I would be quite content and would think we had done a pretty good job—if we were to pass this clause in its present form. Nevertheless I am bound to say that in my opinion the objections I raised on March 10, as reported at page 742 of *Hansard* and to which I referred this morning, to the suggestion of the hon. member for Winnipeg North Centre are in fact met by the proposed amendment, and for that reason I think the proposed amendment does fulfil precisely what I said was required on March 10. Perhaps I can read the words again:

> Frankly, sir, up to now this is the most satisfactory suggestion we have been able to think of for arriving at the composition of these commissions—

That is, what is in the bill now.

—but I hasten to say again that if anyone in any quarter of the house can produce a better method we have an open mind. It is, I say once more, not the special responsibility of the government but the responsibility of all of us to do this in the best possible way.

Now, sir, I have been asked for my opinion, but I thought it would be wrong to give it in light of that statement until I had heard all the arguments. I have been sitting here the whole time and listening most attentively to the arguments made. Some have been very interesting and persuasive, particularly that of the hon. member for Winnipeg South Centre, who talked very eloquently, I thought, about parliament in words with which in the main I could not disagree. But I have not been convinced by the arguments that have been made that my authorship is in fact as good as the amendment that is being suggested, although I think it is pretty good.

An hon. Member: We prefer yours.

Mr. Pickersgill: If the house decided to accept the bill in its present form I would not waste any tears on the amendment. In fact, I would have a certain amount of satisfaction, but I really do believe we would have a better act with this amendment. Because all those in the country are not Liberals and Conservatives, because all those in the country perhaps have not got the same highminded view of the Leader of the Opposition and the Prime Minister as those of us in the house have, I think there would be a greater degree of general confidence in the commissions if we were to accept the amendment that has been proposed than if we were to take the bill in its present form. For that reason I am disposed to support the amendment.

Mr. Nowlan: May I ask the minister a question in order to keep the historical record correct? He referred to the bill brought in by the preceding government and pointed out that the appointments were to be made by order in council. Was it not stated in the house that on second reading of the bill there would be a statement made as to the nominees proposed to be appointed by the government, so that it would not be a matter of blind appointments by the cabinet but rather a matter of record before the house?

Mr. Pickersgill: I do not think there was any intention on the part of the previous government to put anything over at all, but I think the hon. gentleman by his contribution has just illustrated the point that I think has been illustrated by the debate this afternoon. Once in a while we have had a little fun, but most of the time it has been as good and as serious a debate as I have heard in the house for quite a long time. I think this illustrates very well what the Minister of Justice said, that we can be proud that when we are in committee on an important question like this we do bend our minds to it, that we do try, if we can, to improve the legislation and that we are not hidebound and we do not think that what we put in a bill is the last word.

Sometimes there are matters of policy on which a government must stand or fall, but I have made it very clear from the beginning and the Leader of the Opposition commended me for it, that the only thing that was sacrosanct to the government in the bill was that we should establish impartial commissions outside of parliament to do this job, but that the detail, the organization, the arrangements, depended on the house and did not and were not going to depend on the government. That is the position I have taken throughout and that is the position I intend to take throughout. I do thank the committee and I thank you, Mr. Chairman, for not seeing the clock.

Mr. Nielsen: I wonder whether I might be permitted one quick question? Since there is an obvious division among all members of the house as to their views on the bill, can the minister say whether the members of his party are going to be permitted a free vote on the matter?

Mr. Pickersgill: We are all free people in a free country and thank God for that.

Progress reported.

Mr. Deputy Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, private bills.

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR PROVINCIAL LOTTERIES

Mr. Georges Valade (St. Mary) moved the second reading of Bill No. C-22, to amend the Criminal Code (provincial lotteries).

[*Translation*]

He said: Mr. Speaker, I have the honour to introduce a bill to amend the Criminal Code so as to allow the provinces that might wish to do so to establish a system of provincial lotteries designed to assist hospitals and social

welfare organizations under provincial jurisdiction.

In previous debates, as we know, everything was said about provincial lotteries. The bill I am presenting today is identical in every respect to the one I had the honour to introduce last year. It is a very simple bill, for its sole purpose is to amend section 179 of the Criminal Code in order to authorize the provinces, so desiring, to legislate in matters of provincial lotteries. At this point, I should like to remind the house of the position taken by members of the official opposition when the hon. member for St. Maurice-Lafleche (Mr. Chretien) introduced Bill No. C-2, to amend the Trans-Canada Air Lines Act so that the name "Air Canada" could be officially recognized. On that occasion, you will remember that all members of the opposition co-operated with the hon. member for St. Maurice-Lafleche and readily accepted the amendment.

Now, last year, when I introduced a bill which was substantially the same as this one, all members of the various parties in this house agreed with the intent and purpose of Bill No. C-22.

May I be allowed to read into the record some quotations to that effect, so as to prove that the stand taken by the members of the house seemed quite sympathetic to the bill I was introducing at that time.

As recorded on page 4302 of *Hansard* for November 1, 1963, the Liberal member for York-Humber (Mr. Cowan) had this to say:

> No member on this side of the house has any intention of filibustering this bill.

He was speaking of the bill introduced by me.

Further on, he stated:

> I am 100 percent in favour of the bill introduced by the hon. member for St. Mary.

Now, I presume the hon. member for York-Humber spoke on that occasion on behalf of the Liberal party and that this party would therefore be prepared to support the motion I am introducing today.

The hon. member said also, as recorded on page 4305 of *Hansard* for November 1, 1963:

> I believe that this opportunity also should be given to the Canadian people as well as that of buying lottery tickets which would be legalized by the bill of the hon. member for St. Mary (Mr. Valade).

Later on, as recorded on the same page, the hon. member for Skeena (Mr. Howard), on behalf of his party, introduced a motion requesting the house to decide by a vote of the fate of that bill.

Afterwards, in the course of the debate, I note that the hon. member for Beauce (Mr. Perron) also introduced a bill identical to the one I am introducing this afternoon.

Now, Mr. Speaker, as unanimity seems to prevail on this bill, I would invite the house to vote and to take a stand officially and according to the opinions expressed by members of each of the parties on the 1st of November, last year.

I hope the few government members present today in the house will not use their time to unduly delay the passage of this bill, as all of them have expressed their opinion, for or against such a measure.

Now, Mr. Speaker, as Bill No. C-22, which I have the honour to introduce today, is identical to Bill No. C-36, which I submitted on November 1, 1963, and as all other parties came out in favour of that bill, I am certain that any further discussion would only have the effect of preventing the passage of this bill.

I therefore move, seconded by Mr. Winkler, that the question be now put.

[*Text*]

The Acting Speaker (Mr. Batten): The hon. member for St. Mary moves that the question be now put. I apologize to the house, the hon. member is moving a previous question on his own motion.

Mr. Valade: I think the Speaker should read the motion I put, just to be clear.

Mr. Winch: Is it not very unusual for a member who moved a motion to sit down and then move the previous question? I think it is completely out of order. I have no objection to it, but I think it is out of order.

Mr. Valade: I think this question is not a debatable one and should be put by the Chair.

Mr. Knowles: The hon. member is wrong on both counts. It would be debatable, but he is out of order.

The Acting Speaker (Mr. Batten): I would have to rule that the hon. member for St. Mary already has a motion before the house and therefore is out of order in moving the previous question.

Mr. Valade: I ask that the question be now put.

Mr. Winch: This is my point. I understand that the hon. member has moved the motion which is now before the house and he is therefore, the mover of a substantive motion. As the mover of a motion he cannot,

after moving that motion, at the conclusion of his speech move that debate end and that the question be now put. He cannot have two motions before the house at the same time.

Mr. Valade: If I may speak to the point of order I would ask, if the house consents, to withdraw my motion and that the question be put.

Mr. Winch: If the hon. member withdraws his motion, his motion is no longer before the house.

Mr. Valade: I think the hon. member from Vancouver East is confusing things. I withdraw the motion that the matter be discussed and I ask that the question be put.

The Acting Speaker (Mr. Batten): I am not quite clear what the hon. member for St. Mary wants done. He is not able to withdraw the second motion he made because it has not been put. If he wants the previous question moved, he would not be able to move that motion because he already has a motion before the house.

Mr. Valade: If my motion is out of order, then the house does not consider the motion and certainly I have the right to ask that the question be put.

Mr. Knowles: Provided no one else wants to speak.

The Acting Speaker (Mr. Batten): The hon. member for Beauharnois-Salaberry.

Mr. Valade: If I may speak to the point of order, I think the Speaker should put the question.

The Acting Speaker (Mr. Batten): The hon. member has moved the previous question. If I understand the hon. member correctly, and this is what he has done, I should point out to him that most authorities state that moving the previous question does not preclude debate on the original motion.

Mr. Valade: I think the ruling is not clear to me. If Your Honour has just made a ruling that my motion is out of order then it is not proceeded with. If it is not proceeded with, I then ask that the question be put. I think the Speaker should ask whether or not the question should be put.

Mr. Winch: I do not want to get confused after all these years in parliament. It is my understanding that the hon. member has moved a motion and spoken to it. His motion has to do with the Criminal Code and provincial lotteries. Surely, sir, in a parliamentary democracy no one can move a motion and then, as soon as he has made his speech, move that the question be now put. Surely the hon. member has one of two alternatives. He may move his motion, allow it to be debated and if nobody wants to speak then it is automatically put. However, if he moves his motion and then, after having made his speech, moves that the question be now put, that is a denial of parliamentary democracy.

Mr. Valade: I am not going to get into a row with the hon. member for Vancouver East who is a specialist on these things. The motion that the question be now put leaves room for discussion as to whether or not the question should be put. On the assumption that the Chair has not accepted my motion, then the Speaker puts the question to the house, shall the question be now put? Some hon. members in this house can then talk about this. There is no dictatorship such as the N.D.P. are used to in this house.

The Acting Speaker (Mr. Batten): I hope I have not misunderstood the hon. member for St. Mary. I should like to begin at the beginning to see if we can get this thing straightened out. The hon. member for St. Mary moved the second reading of his bill and then, if I understand him correctly, he moved the previous question. I do not believe he is permitted to move the previous question since he already has a motion before the house.

However, even if he were permitted to move the previous question, the moving of the previous question does not preclude debate on the original motion. Even though some other member may want to move that motion, other members in the house still have the right to speak, not only on the motion that the question be now put, but also on the motion for second reading of this bill. I would, therefore, have to recognize the hon. member for Beauharnois-Salaberry.

[*Translation*]

Mr. Gerald Laniel (Beauharnois-Salaberry): Mr. Speaker, I am happy to see that, for once, the hon. member for St. Mary (Mr. Valade) decided to be brief, in order to enable other hon. members to voice their opinion on a matter which is of interest to quite a few.

On the other hand, because of his many points of order, the hon. member may have taken more time to expound his views, than he would have under ordinary circumstances,

and he may be chiefly responsible for the motion for second reading of his bill not being passed this afternoon.

Mr. Speaker, the hon. member mentioned a few moments ago the co-operation given by non-members when Bill No. C-2 was introduced—

Mr. Caouette: C-22.

Mr. Laniel: No, no. I am speaking of Bill No. C-2 introduced by the hon. member for St. Maurice-Lafleche (Mr. Chretien) with regard to Air Canada.

I should point out to the hon. member that Bill No. C-2 concerned the management of a crown corporation, whereas the bill now before us contains an amendment to the Criminal Code so as to authorize the various provinces to establish lotteries.

Mr. Speaker, I think that before putting the question it is important that this matter be fully examined, and that we consider the possibility of initiating negotiations or continuing consultations with the provinces.

The hon. member for St. Mary often boasts of being a great autonomist. This afternoon, he is standing up for Mr. Lesage, but when he introduced his bill last year—

Mr. Valade: We are not standing up for Mr. Lesage, we are standing up for the province of Quebec.

Mr. Laniel: —he brought up the question of provincial politics. He was then even somewhat scolded by the Speaker. This year, however, he is not saying a word; he wants his motion to be passed without a word being said; in short, he does not want anybody to express an opinion.

Mr. Valade: Mr. Speaker, I rise on a question of privilege. I know that the hon. member for Beauharnois-Salaberry would like to get me into an argument; however, when he suggests that I tried to prevent discussion of the bill, I believe that perhaps he did not quite mean what he said.

[*Text*]

The Acting Speaker (Mr. Batten): Order. The hon. member for St. Mary (Mr. Valade) is disagreeing with something said by the hon. member for Beauharnois-Salaberry (Mr. Laniel). On such an occasion there are two possibilities open to the hon. member for St. Mary. When the hon. member for Beauharnois-Salaberry has completed his remarks he can, of course, ask the unanimous consent of the house to speak again, although that would not be necessary on this occasion since he, having moved the motion for second reading, still has an opportunity to speak when he winds up second reading of the bill.

I would not be able to accept the view that for one hon. member to disagree with what another hon. member is saying constitutes a point of order or a question of privilege.

Mr. Valade: With due regard to Your Honour, I was on a question of privilege. My point was that the hon. member who has the floor has accused me of wanting to foreclose the debate, an allegation which is not true. I question the merit of this accusation, and point out that I do not intend to foreclose the debate. I merely said that I wanted a short debate.

[*Translation*]

Mr. Laniel: Mr. Speaker, I rise on a point of order. If I said that the hon. member for St. Mary had prevented other members from speaking, let us say that I did not want to suggest that such was his intention, but that he was acting as if it were.

Mr. Caouette: That does not make much sense.

Mr. Laniel: Mr. Speaker, I hear the hon. member for Villeneuve (Mr. Caouette) and I am pleased to welcome him in this house, especially as I note that there are very few members of his party, who however, have always been in favour of this bill—

Mr. Choquette: He has been away for two months.

Mr. Caouette: Mr. Speaker, I rise on a point of order. I hear the hon. member for Lotbiniere say that I have been away for two months.

An hon. Member: Two weeks.

Mr. Caouette: That was a king-size lie, and for the information of the house, I may say that I was away exactly five days for strictly personal reasons, which do not concern the hon. member in the least.

To refer to the unkind remarks by the hon. member who has the floor now, or rather who had it before I intervened, I may say that the hon. member is neither logical, nor honest in his statements. He said that there are not many of us in this house, but if he counts the hon. members now in their seats on the Liberal side, that is on the government side, he will realize that the proportion is much more substantial on my side than on his.

Mr. Choquette: Mr. Speaker, I rise on a point of order. The hon. member for Villeneuve just made some malignant remarks. The House of Commons standing order No. 12 states that the Chair shall preserve order and decorum. Well, Mr. Speaker, when an hon. member uses words like the ones we just heard, that is:

That was a king-size lie—

And when he charges an hon. member with not being honest, that is unparliamentary language departing from the decorum in this house.

Mr. Prud'homme: Mr. Speaker, on the point of order raised by the hon. member for Villeneuve—

The Acting Speaker (Mr. Batten): Order.

Mr. Prud'homme: I should like to point out that the proportion—

[*Text*]

The Acting Speaker (Mr. Batten): Order. I must point out that both members are out of order. Hon. members should not interrupt the hon. member who now has the floor, and I would hope the house would permit the hon. member for Beauharnois-Salaberry to complete his remarks.

[*Translation*]

Mr. Valade: You are a clown.

Mr. Prud'homme: Mr. Speaker, I should like to ask the hon. member for St. Mary to repeat what he just said before the house, so that I can hear—

Mr. Valade: I said you were nothing but a clown.

[*Text*]

The Acting Speaker (Mr. Batten): Order. I am sure that hon. members realize this procedure is quite irregular. The hon. member for Beauharnois-Salaberry has the floor and, under the rules of this chamber, he has the right to make his speech without being interrupted. I would ask the house to observe the rules we normally follow in debate.

[*Translation*]

Mr. Laniel: Mr. Speaker, I thank you for allowing me to have the floor again and, as you pointed out, I hope that the interruptions which cut into my time will be taken into consideration. What beautiful things indeed were said during those few minutes.

Mr. Speaker, I resume my remarks, or rather I start by saying that I am happy to take part in this debate and to state here publicly that I support the bill presented by the hon. member for St. Mary.

Mr. Valade: Seriously?

Mr. Laniel: In my opinion, the people of Canada are more and more in favour of seeing such a bill adopted. I feel, besides, that it would do justice to all Canadians and that all charitable associations could benefit from it.

Right now, throughout the country, a great number of people buy lottery tickets, a great number—though possibly slightly fewer—get something out of them and win prizes.

Mr. Speaker, it is high time that the Criminal Code be amended to legalize something which is already being done throughout the country. Each year, the names of those who win thousands of dollars are even published in the papers and it is obvious that law-enforcing agencies are not doing their duty since they do not interfere and apply the law.

Mr. Speaker, everywhere in Canada there are draws and radio contests which benefit some of the participants. I fail to see why there should be two yardsticks, and why it should be honest, fine and appropriate to encourage parish work by buying tickets for a draw, by attending bingos or by participating in all kinds of contests, while Canadians are denied the right to take part in national or provincial lotteries.

At this point, Mr. Speaker, we must all the same ask ourselves whether such a lottery should be on a national or a provincial scale. Personally, I wholeheartedly support the principle of Bill No. C-22 and I feel that the setting up of such a lottery should be left to the discretion of provincial authorities who would take charge of its organization for the benefit of provincial institutions.

Mr. Valade: Are you ready for the question?

Mr. Laniel: Mr. Speaker, several points would have to be considered. First, as I said earlier, after discussing the matter with the provinces—and I ask the hon. member for St. Mary to note that we are going through a transition period at present where a dialogue is actually taking place between the provinces. Monday morning the whole country might be happy to realize that our Prime Minister has understood the problem of every state and province—

Mr. Valade: He was slow on the uptake.

Mr. Girouard: Not too fast, not too fast.

Mr. Laniel: All this would lead to a worthwhile dialogue which would strengthen our confederation.

Speaking about lotteries, I do not see why we should ignore our provincial governments since they would be the first to be involved and since some technicalities would have to be considered.

It would be necessary to determine, for example, whether the winners would be liable to income tax and whether that income tax would be levied by the provincial, or the federal government, or by both?

It will also be necessary to provide—I do not wish to refer to a bill already appearing on the order paper and which bears number C-19—but just the same, from that point of view, I think that Bill No. C-19 goes farther than Bill No. C-22; because legislation should provide for the setting up of such provincial lotteries.

Would the provincial government have full control? Would provinces be free to sell lottery tickets in other provinces which are not interested in organizing one themselves?

In short, Mr. Speaker, it is a quite important question of concern to all Canadians. It has the unrestricted support of 80 to 90 per cent of the associations and people of this country. In my opinion, this government ought to study this matter thoroughly and look for a solution in order to introduce during a coming session legislation which would greatly benefit our charitable institutions and might even extend to universities.

Mr. Speaker, in closing, may I say that the hon. member for St. Mary does not have to worry. I hope that before long we will be able to rejoice together because the Liberal government will adopt legislation along this line, even if on the other side of the house it is called a surrender or a somersault. But we must nevertheless look for the real solution to our problems, and we want all Canadians to work in the same spirit for a greater and stronger Canada.

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

Mr. Laniel: By all means.

[*Text*]

Mr. Valade: I asked the hon. member if he would permit me to ask a question and, as his time has not expired, and the hon. member has accepted, I wonder if the Chair would authorize it?

[*Translation*]

Does the hon. member realize that the bill is quite simple, that it involves no restrictive clauses, nor technicalities? It is only a question of asserting a principle and of allowing provincial lotteries. It is as simple as that. Are you ready to vote in favour of the bill or not?

Mr. Laniel: Mr. Speaker, could the hon. member tell us whether he has consulted the various ministers of every province before introducing his bill?

Mr. Valade: I am not sure whether I am allowed to answer, but I must say that during the federal-provincial conference held last year, I sent a letter to the Quebec premier, Mr. Lesage, on this matter—

[*Text*]

The Acting Speaker (Mr. Batten): The hon. gentleman is not permitted to make any reply. He has already made his remarks. I must now recognize the hon. member for Villeneuve.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker—

Some hon. Members: Hear, hear.

Mr. Caouette: I thank the hon. member for Lotbiniere (Mr. Choquette) for the remarkable courtesy he showed me I shall deal right away with the question asked by the hon. member for St. Mary (Mr. Valade) to the hon. member who has just resumed his seat, that is whether other provinces have been consulted or whether he is ready to vote in favour of a bill such as the one now before the house, Bill No. C-22.

Mr. Speaker, I think that the question of lotteries should have been settled long ago, that the province of Quebec, as well as other Canadian provinces, should have been granted the privilege of setting up lotteries within its territory in order to provide assistance to various organizations, such as hospitals and other social welfare agencies coming under provincial jurisdiction.

In Quebec, as in other provinces bingo games, a kind of lottery, are played in order to assist parish organizations, charitable organizations and organizations set up to help the whole population or for some charitable purpose.

Bill No. C-22 is quite clear, and the hon. member for St. Mary was right to point that out a moment ago.

When we read paragraph 1 of that bill, in fact, there is only one—

Mr. Valade: It is still too difficult for the Grits.

Mr. Caouette: —we find this:

—a lottery organized and operated by a provincial government to provide financial assistance to hospitals or for other social welfare purposes under provincial jurisdiction.

The hon. member for St. Mary deserves congratulations for having introduced such a bill in the house. His bill is logical in all respects.

I do not think that anybody will agree—and the hon. member who just took his seat, the hon. member for Salaberry—

An hon. Member: Beauharnois-Salaberry.

Mr. Caouette: —agrees that the bill, pardon me, the hon. member for Beauharnois-Salaberry—will agree that the bill is logical. I am convinced that his colleagues in the Liberal party, on the government side, also accept that point of view.

But the question that immediately comes to mind is this one: Why, a year ago or so, when the Conservatives were in office, sitting on your right, Mr. Speaker, the hon. member for St. Mary did not introduce the same bill he would like to have passed today by the Liberal government, blaming that government for not being prepared to go ahead and allow the provinces to provide financial assistance to charitable agencies, provincial hospitals, and so forth? Why did he not take any action at that time?

As I said time and time again it is strange that when they sit in opposition, they feel they have abilities of which they are deprived as soon as they come into office.

Last year, the Liberals found themselves in the same position, the same circumstances. This year, we have the Conservatives in the Liberals' place. The roles are changed.

A while ago, I heard the hon. member for Beauharnois-Salaberry ask himself and ask—

Mr. Valade: He did not say much.

Mr. Caouette: I can see why the hon. member for St. Mary should tell me that the hon. member for Beauharnois-Salaberry did not say much. Be that as it may, last year, it was the hon. member for St. Mary who was not saying much.

Mr. Valade: Have you not read the speeches I made on the subject?

Mr. Caouette: The roles are changed. This year, now that he is in the opposition, he can show more courage.

When he was a member on the government side, he did not say a word about this matter. He kept absolutely quiet on the subject; I know, because I was in the house at that time—

Mr. Valade: Mr. Speaker, I rise on a question of privilege.

Mr. Caouette: There is no question of privilege.

Mr. Valade: There certainly is, and the reason I am rising on a question of privilege is this: the member for Villeneuve is again making a false statement in saying that I did not look after this matter when I was a member on the government side; that is not true. He only has to look at the record to find that my name appears more often than his when he was a member of the house—

[*Text*]

The Acting Speaker (Mr. Batten): Order. I must again point out to the hon. member for St. Mary (Mr. Valade) that disagreeing with any statement made by an hon. member is not necessarily a point of privilege. I would again point out that when the hon. member for Villeneuve (Mr. Caouette) has finished his remarks, if the hon. member for St. Mary wishes to rise and make an explanation, with the consent of the house he is of course permitted to do that.

Mr. Valade: But they will not give me time.

The Acting Speaker (Mr. Batten): But it is not permitted to interrupt an hon. member who is making his speech. The hon. member for Villeneuve.

[*Translation*]

Mr. Caouette: Thank you, Mr. Speaker. The interruptions—

Mr. Valade: That is an old trick.

Mr. Caouette: The vitriolic interruptions of the hon. member for St. Mary do not frighten me at all. He says that he was more active than we were when he was on the government side, but we just have to look up the *Hansard* index or *Hansard* itself to realize the difference between the numerous interventions of the group I represent in the house and the ones he made.

Mr. Valade: There were none in 1958.

Mr. Caouette: But there were some in 1962, and the hon. member was nearly replaced by a Social Credit member in his own riding—

Mr. Valade: The Social Credit candidate lost his deposit.

Mr. Caouette: —he better sit down quietly if he does not want to be rebuffed, and then everything will be settled to the general satisfaction.

Mr. Valade: He lost his deposit.

Mr. Caouette: As the hon. member will probably lose his own in the next general election.

Mr. Valade: You can come into my riding.

Mr. Caouette: I can go into St. Mary, for we have many friends there, and friends who are more sincere than those he has in his own riding.

Mr. Speaker, I heard earlier the hon. member for Beauharnois-Salaberry (Mr. Laniel) ask us how these provincial lotteries would be set up. We simply have to consider the possibility of authorizing the provinces to hold these lotteries in order to assist certain organizations and I do not think that it is necessary at this time for the federal government or any member of this house, to interfere with or to find out how the provinces, Quebec as well as the others, will set up those lotteries within their boundaries. We do not have to be concerned with the way the provinces will sell tickets.

Would Quebec sell tickets in Ontario and would Ontario do the same in Quebec? Those questions do not come under federal jurisdiction. We buy in Canada lottery tickets from Ireland, England and various other countries, and we hear every two or three months that a Canadian won first prize and will get $100,000, $150,000, $50,000 or whatever. It seems to me that is none of our business. If the Irish and the English are selling tickets in our country now, why should not the province of Quebec sell tickets in Ontario, Manitoba or the maritime provinces?

Mr. Speaker, the main question is to find out if the federal government should give the provinces the right to set up lotteries.

We have seen in the province of Quebec—because we are used to it—members of the provincial police interfere in some parishes, some localities, saying that the parish priest or the parish had no right to organize a bingo game. And yet the officials of a hockey club, a branch of the Knights of Columbus, a parish organization or a branch of the St. Jean Baptiste society were allowed to hold a monster bingo night in many parishes of Quebec, although federal legislation expressly forbids it.

Mr. Speaker, I feel that the provinces should be free to hold bingos and lotteries so that, in the future, provincial police will have no reason to say that the federal law prohibits gambling.

Let the provinces be free to act according to their conscience, according to their needs, and organize their own business without federal interference.

I fully support the bill introduced by the hon. member for St. Mary from that standpoint and I sincerely hope that it will be put to a vote before six o'clock.

I should like to conclude by saying to present Conservative members that when the provinces, especially the province of Quebec, asked such an authorization four or five years ago, the Conservatives who were then in office should have acceded to their request. Today, the hon. member for St. Mary blames the government for its failure to accept this proposal, whereas his own party took no action along that line when it was in office. Such an attitude seems to me inconsistent with the present situation.

Nevertheless, I support this measure and I congratulate the hon. member for having introduced it. I do not wish to detain the house any longer, as I wish hon. members to be able to vote on this motion, so that the provinces will have the power to organize, within their own jurisdiction and by means of logical and honest methods, the necessary ways to give assistance to hospitals, benevolent and welfare organizations, which would help the people concerned as a whole.

[*Text*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I very much like to see these private members' resolutions come to a vote and not be talked out, and for that reason I am going to try to compress my remarks into about three or four minutes. I would like to say at the outset that what I have to say is purely my own; in this respect I speak for no party, no church, no other organization. I may be a minority of one, for all I know. I want to speak on this matter and when the opportunity to vote comes, as I hope it will, I intend to vote against the bill that is now before the house.

I do not believe that lotteries are a useful or worth-while means of raising money either for hospitals or any other purpose. I think the prohibition in the Criminal Code was based on a very sound social philosophy.

I am not prepared, Mr. Speaker, to make a reasoned argument on this matter, but I have received material from the Canadian council of churches and other organizations which have given a close and careful study to the question of lotteries. Of course we all want

to see hospitals collect the necessary money to run them as successful operations, and to some people lotteries seem a harmless and good way of raising that money. They see nothing wrong with lotteries. But in actual fact lotteries as has been discovered over the years, are thoroughly wasteful from the social point of view. A large amount of money is usually siphoned off to the promoters of the lotteries, and when you try to arouse the cupidity and interest of the people to give money to hospitals, you have to give them large awards which usually do them no good.

If you studied the experience of those who win large amounts in lotteries you would find that most of them thought originally that a wonderful opportunity had come to them, but later found instead that they had become the victims of shady salesmen, were harried to death and did not get any happiness from their win. Quite apart from that it is a redistribution of money which is not based on any logical or sensible foundation.

In the past many valuable institutions have been built from the proceeds of lotteries. For example, the British museum and Harvard University were assisted through moneys from lotteries. In course of time it was found that these lotteries were a means of siphoning off money spent by people who could not afford it but were excited by their expectations of vast gain, and whose contributions to the lottery had actually added to their poverty and misery.

I listened to the, as usual, eloquent remarks of the hon. member for Villeneuve (Mr. Caouette) who has just spoken, and if anyone could persuade me on this I think he could; but I think that he is wrong in suggesting that this is a provincial matter. This is essentially a matter for the Criminal Code of Canada. We may disagree about whether or not we should have lotteries, but it is not a matter for the provinces. This is a decision for us and I hope that when we make it we will decide it on the basis of sound wisdom. I know that many people in my own constituency do not agree with my views, but after all we must all stand up for what we believe in. I accept the view of many other wise people who have studied the matter, and who have suggested that lotteries are not the right method to achieve the good purpose in mind in this bill.

I will sit down now, so that we can either come to a vote or someone other than myself will have the opportunity to talk it out.

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, I must first register a protest against the hon. members for St. Mary (Mr. Valade), Villeneuve (Mr. Caouette), and Greenwood (Mr. Brewin) who have just stated that the bill is going to be talked out.

I have been here only one year and never have I had the opportunity to voice my opinion on this question. I am glad to be able to do so at this time, considering that the hon. member for Villeneuve sat in the house in 1946 and again in 1962. As for the hon. member for St. Mary he has been here for years. Consequently, since they have already expressed their feelings on that matter, why did they not refrain from speaking so as to give new members like myself a chance to say what they think?

Mr. Caouette: Mr. Speaker, I rise on a point of order. Considering the nature of the remarks he has just made, why does the hon. member for Lotbiniere not abstain from speaking on the bill now since he accuses others of having taken too much time?

Mr. Valade: Because he wants to talk out the bill.

Mr. Choquette: Mr. Speaker, I will not refrain from speaking, because this is the first opportunity I have to express my opinion on this question.

The hon. member for Villeneuve has been able to do so on many instances and today he had a fine chance to remain seated. However, since he is fond of talking for nothing, he kept right on going. Like the hon. member for St. Mary, he is one of those who are doing some filibustering and who are going to prevent the passage of the bill.

It is also because of the childish points of order raised by the hon. member for St. Mary that the house will be unable to proceed to the vote on this matter.

Now, here is what I want to say, though I have only a few minutes left.

Mr. Speaker, a few minutes ago the hon. member for St. Mary made a wrong comparison when he suggested that there was an analogy between the matter now under discussion and the bill concerning Air Canada.

If the Air Canada issue was settled most easily and without any opposition through the co-operation of all parties, it was because a higher principle was at stake, endorsed by all Canadian citizens of good will, i.e., the consideration of bilingualism in this country.

For that reason the Air Canada bill was passed extremely quickly and easily.

The hon. member for Villeneuve said a short while ago that, whatever way the prov-

inces will organize their lotteries, it is not up to us federal members to look into the matter.

Now, first of all I would point out to the hon. member for Villeneuve that the Criminal Code is under federal jurisdiction—

Mr. Caouette: Amend it.

Mr. Choquette: When it comes to amending the Criminal Code, any member has not only the right, but the specific and imperative duty to know how it is to be amended. And to answer to the hon. member—

Mr. Caouette: Mr. Speaker—

Mr. Choquette: Mr. Speaker, I should like to complete my remarks—

Mr. Caouette: It is six o'clock.

[*Text*]

The Acting Speaker (Mr. Batten): Order. It being six o'clock I must advise the house that the hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Could we give the last word to the acting house leader: Monday and Tuesday a supply motion?

Mr. MacNaught: On Monday and Tuesday there will be a motion to go into supply.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, April 20, 1964

The house met at 2.30 p.m.

DOMINION-PROVINCIAL RELATIONS

STATEMENT BY PRIME MINISTER RESPECTING TAX SHARING, PENSION PLAN, ETC.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to table, in English and in French, the text of a letter which I sent last Thursday to the premiers of all the provinces. I would ask that the text be printed as an appendix to today's *Hansard*, if that is agreeable to the house.

Mr. Speaker: Does the house give consent?

Some hon. Members: Agreed.

[*Editor's note: For text of letter referred to above, see appendix.*]

Mr. Pearson: Because of the importance of the subjects dealt with in this letter I would like to make a statement summarizing the text of the letter and the government's position in regard to them.

The first subject I would like to mention, and which is dealt with in the letter in question, is our tax sharing arrangements with the provinces. Mr. Speaker, this government came into office sharing the view, which at times has been expressed very emphatically by all provincial governments, that the existing arrangements in this field are inadequate. These arrangements, it will be remembered, were made in 1961, for a five year period which ends in March, 1967.

There were, in our view, two ways in which these arrangements needed improvement. First, we felt they did not provide for a proper degree of equalization of provincial revenues from the shared fields. Such equalization is essential if all the provinces are to have not merely the right but the ability to provide a Canadian standard of services in the matters within their jurisdiction.

Accordingly, Mr. Speaker, at the conference last November it was arranged that a new equalization formula would come into effect for the current financial year. At the same time, at that conference we increased from 50 per cent to 75 per cent the federal abatement of succession duties, in order to provide some increase in the share of revenues available to all the provinces.

The effect of these two charges was to cut federal revenues this year by some $87 million. We made it plain at that time that this was as large a change as we could regard as practicable during the year 1964-65. We also made it plain, however, that we recognized the increasing burden that is falling on the provinces because of the cost of the services which it is their constitutional duty to provide to their people. This is especially true of education, and we fully agree with those who say that in the disposition of public revenues as a whole the increasing needs of education merit a very high priority indeed.

At the recent conference in Quebec city, therefore we made, as already indicated to the house, a novel proposal. We suggested that the federal-provincial conference as a body—not the governments separately—should authorize a review of the tax structure in relation to the financial responsibilities of governments and the priorities given to their expenditures. I think this has been recognized as a constructive way in which to handle a most difficult problem, a problem which has faced us in one form or another ever since confederation and which, I suggest, is inherent in the federal nature of our constitution. But, of course, we all recognize that such a review will achieve its purpose only if it is thorough and, in particular, if it takes account of the various taxation inquiries which are already under way—and some of them are very near completion—both federally and provincially.

The provincial governments recognize—I would say all of them—the value of this inquiry, but they made it plain that they would like to know how they stand in the meantime pending the completion of this inquiry, and we agreed with that. Therefore, in the light of the discussions in Quebec, the federal cabinet reviewed this matter of tax sharing as we indicated to the conference we would do, and it was decided that we should tell the provinces now what we mean when we say we recognize their increasing needs, especially in the field of education. We mean that under the existing tax sharing arrangements, which have two more years to run after the present fiscal year, we are willing to reduce the federal personal income tax at an accelerated rate.

Arrangements at present provide that the rebate of federal taxes which, of course, creates room for provincial taxes, is 18 per

cent this year and will rise by one point to 19 per cent next year and 20 per cent in the final year. My letter to the provinces which has now been tabled announces that this acceleration will be increased to 3 points a year; that is, the rebate will rise next year not to 19 per cent but to 21 per cent, and in 1966 it will rise further to 24 per cent instead of 20 per cent. There will, of course, be a corresponding increase in equalization payments to the provinces, and these payments will be based on the formula proposed for this year; but the level of taxes to which the formula is applied will be bigger, of course, to the extent I have described. On the basis of current tax yields it is estimated that the increased rebate and higher equalization payments will mean next year a reduction of some $60 million in net federal revenue which will have to be recouped from some other source of taxation.

The detailed figures that I give now are estimates subject to some revision on which work is presently in hand. However, in round figures the extra revenue and equalization payments to individual provinces will be as follows. This is for the year in which this change takes place, the next financial year: Newfoundland, $1.5 million; Prince Edward Island, $300,000; Nova Scotia, $2.4 million; New Brunswick, $2 million; Quebec, $17.6 million; Ontario, $21.2 million; Manitoba, $3 million; Saskatchewan, $3 million; Alberta, somewhat under $4 million; and British Columbia, about $5 million.

That, Mr. Speaker, would be the effect of the extra 2 per cent next year. The further 2 per cent the following year will, of course, have a similar and further effect. I do not need to point out that this further sacrifice of federal revenue from these fields is substantial. Indeed, added to the $87 million for this year which we announced in November and which I have already mentioned, it means that by 1966-67 this government will have reduced its taxes, in favour of the provinces, by more than $200 million a year. We are making that reduction because we believe it is in the interests of the Canadian people as a whole. We believe it is the way to serve the priority needs of the country, especially for education.

Some hon. Members: Hear, hear.

Mr. Pearson: Now, Mr. Speaker, I would like to turn to another subject which is dealt with in some detail in the letter which has been tabled. It is the subject of pensions. This government came to office almost a year ago with a three point pension program. We thought that the basic old age security pension should be raised to $75 at age 70. We wanted to ensure that this pension could be available from age 65, on a graduated basis, for those who need it before age 70. Third, we believed that there should be available, in addition to the flat rate pension, a contributory pension related to earnings and sufficient to provide a reasonable minimum of security for all Canadians, and to provide that minimum as soon as possible.

Pensions, as we know, are a field of jurisdiction shared with the provinces under our constitution. We knew as a government that we could achieve a national standard in pensions, which is obviously desirable, only with the agreement of the provinces. We also knew, however, that we could not make early progress in this matter by talking in generalities. Our predecessors, it will be remembered, had raised with the provinces the question of a further constitutional amendment which is required for a plan providing survivor benefits. The province of Quebec had replied at that time, and reasonably enough, that it would want first to know what the pension plan was; and Ontario had meantime proceeded with legislation of its own regulating private pensions. We therefore decided that the way to get progress was to provide a definite basis for discussion with the provinces. We did that last July, and public discussion of various kinds has been under way ever since.

Some hon. Members: Oh, oh.

Mr. Pearson: We could, of course, have done more of the work confidentially and secretly; "in the back room", to borrow a phrase used last week in the legislature at Queen's park by the premier of Ontario. I was glad to note from these remarks of the premier of Ontario that he shared my view that more open methods are better. They enable public opinion to be better informed on the basis of specifics rather than generalities, and public opinion to be brought more fully to bear on the eventual result.

Therefore, Mr. Speaker, I do not apologize at all for the fact that this procedure has involved several changes in the details of our proposals. The fundamentals have never changed. We have adjusted the details in a constant attempt to get the best possible pension arrangement which could work for all Canadians.

Mr. Woolliams: Trial and error.

Mr. Pearson: Better trial and error than no trial at all.

Mr. Nowlan: This is all error and no trial.

Mr. Pearson: Trial and error and eventual success is better than five years of no attempt.

When Quebec decided to set up its own plan we made some adjustments so that our proposals could operate beside Quebec's. That was in September. In subsequent discussions Ontario expressed some fear about the effect of our proposals on private plans. Accordingly, in January, to meet this and certain other preoccupations of the provinces—we had consulted the provinces about this—we revised our proposals in order to meet this fear as fully as we could without compromising the features of a public plan which we regarded as fundamental.

At the Quebec city conference the government of Quebec made known for the first time to the provinces and to ourselves the details of the plan which it had meantime been preparing. We and the provinces found that it was less different from the federal plan than had at one time seemed likely. That fact, Mr. Speaker, revived in the government the hope that after all we could devise a plan which would meet the requirements of all the provinces, especially in the matter of providing funds for provincial investments, a plan which would still be the same for all Canadians from coast to coast. Therefore, Mr. Speaker, immediately after the Quebec conference I undertook discussions with Quebec to see whether, now that the two plans were before us in detail, we could find one plan which would achieve the purposes of both, and I am very happy to report that we have succeeded.

Some hon. Members: Hear, hear.

Mr. Pearson: This took a good deal of work, patience, understanding and negotiation. The proposal set out in my letter to all the premiers is a proposal in which the government of Quebec concurs. It has been achieved by finding the best common ground in the only two plans before the country, the federal plan and the Quebec plan. There is no question of Quebec accepting our plan or of the federal government accepting Quebec's plan.

Some hon. Members: Oh, oh.

Mr. Pearson: Hon. members may laugh, but the fact is that in our negotiations we have found a common ground between the two plans, and this is how we should work at our negotiations with the provinces. We have found a common ground which takes into consideration certain views expressed by other provinces than Quebec, a common ground which we are confident will appeal to all the other provinces as well.

This means, Mr. Speaker, and I am very proud and happy to be able to say this in the House of Commons, that there can now be one pension plan which will be the same in all of Canada. In Quebec, and in any other province which so wishes, the provincial government can collect the contributions, invest the funds, pay the benefits and administer the plan in that province, but they will be the same contributions and the same benefits everywhere throughout the country. The legitimate rights and interests of the provinces will be met, but the Canadian people's interest in a pension system which is the same wherever they live will be fully served.

That is the proposal that we are now able to put to all the provinces. I believe this is a real achievement which would not have been possible so soon and might not have been possible at all if we had not handled this problem in the way we have, if we had not been prepared to bring public opinion to bear on concrete proposals, not by sitting back talking privately to provinces about something that might be done in the future, which was the procedure followed by my hon. friends. And, Mr. Speaker, if this means putting forward a concrete plan for discussion and then making necessary changes as a result of that discussion to make this plan acceptable to very province in this country, I am quite happy to proceed in that direction.

I am not going to take the time now on the details of these pension proposals which are set out in the letter. I should like to express my appreciation of the co-operation there has been, and my belief that the spirit of co-operation among all the provinces will enable us to bring this matter to a conclusion that will greatly serve the whole of Canada.

May I conclude this reference to the pension plan by quoting, because it is very pertinent to this matter, some remarks made by the premier of Ontario in the legislature at Queen's park last week.

Some hon. Members: Hear, hear.

Mr. Pearson: I am glad my hon. friends opposite applaud the reference to the premier of Ontario in this regard because this is what he said, having been twitted in the house that he was changing his mind on these things, that he was not following a set course, that he was chopping and changing and perhaps even making somersaults. Having been twitted on that score he replied in regard to pensions:

> It does not do to take rigid positions. If you do, then you destroy your chance of ever coming up with refinements and changes that in the final analysis will give us a better plan.

Two days earlier, I believe, he also had this to say in the legislature:

> Events in the field of pensions have been fast moving for many months. If this latest development can bring us closer in Canada to achieving

a plan national in character, with the best possible benefits for our people containing safeguards to ensure security and a plan which can be approved by all the provinces, then the great efforts and frustrations of the last few months will have been justified.

I commend these very wise words to my hon. friends opposite.

I should like to refer briefly to three other matters that have been dealt with in our recent discussions and which are referred to in the letter which has just been tabled.

The federal government hopes to proceed shortly with legislation providing for the extension of family allowances to children who, either because they are not physically fit to work or because they attend school, remain dependant at the ages of 16 and 17. Because the province of Quebec, which in this respect is unique in our confederation, has an existing program of a similar nature covering the same age categories, these extended allowances will not be paid to Quebec residents. Instead, there will be a compensatory fiscal arrangement similar to that which exists in the case of university grants introduced by my right hon. friends opposite.

In the light of the comments made by provincial governments at the Quebec conference, the federal government intends to propose arrangements whereby guaranteed bank loans for university students would be available in each province up to a defined amount to students designated by such agency as the province authorizes. If any province prefers to rely on its own loan program, it will be able to receive equivalent compensation.

Lastly, Mr. Speaker, on the subject of shared cost programs, the government of Quebec has again indicated that while it wishes to exercise its constitutional jurisdiction, its constitutional right in these fields, it has no intention of dismantling the programs at present provided under cost sharing arrangements. We expect soon to enter into interim arrangements whereby Quebec or any other province—because all the provinces have the same right in this field—may carry out these programs and receive, instead of grants, an equivalent abatement of federal taxes. Longer term arrangements about the programs will be discussed later with the provinces as a whole.

In conclusion, Mr. Speaker, I would say this. The government of Quebec, in its discussions with us during the past weeks, has made very clear its firm belief that the wishes of all Canadians can best be fulfilled within a federal structure. The government of Quebec has assured us it is resolutely determined that provincial rights should be exercised, not to the disruption but to the enhancement of the unity of Canada. That is also our faith and our determination. I am sure it is the faith and determination of all members in this house, and it is shared by all provincial governments. I believe that its validity is demonstrated in what I have been able to announce today. I hope it is a faith and a determination in which we can all go forward, irrespective of political differences in matters less fundamental to the country we are all here to serve.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, as I listened to the Prime Minister when he spoke of the unity of Canada and the contribution that the plans now offered will make to that end, I could not but conclude, as he smiled when he said certain things about the planning in the last few days, "Methinks he doth protest too much". As a matter of fact, it is difficult to recognize the views of today as expressed by the Prime Minister and those expressed during the election campaign of which he spoke last evening, when he indicated that while 60 days of decision had been promised, it was really a meaningless promise engendered by the enthusiasm of the election campaign and never meant to be carried into effect. This frank view on his part was in keeping with so many undertakings that were made by the Liberal party.

The record of the government in connection with the promises it made has been that many of these promises have been lost or have strayed. The government cannot pat itself on the back today for what it is doing, because if press reports mean anything this action on the part of the government is as voluntary as I am told shotgun marriages are. He spoke of the leadership that had been given by this government, yet having regard to what we have learned in the last few days the leadership of the Prime Minister and those associated with him consisted of telling the premiers across Canada "Wait for me, fellows; where'er you lead, I shall follow."

I am going to deal in a very general way with what has been said today. I am going to refer to the questions in the order in which the Prime Minister referred to them, first that of dominion-provincial relations. It may be of no significance, but the absence of the Minister of Finance today does not pass unnoticed by the membership of the house. We have made it clear that we will support any action that will assure the provinces of a greater share of the tax dollar so they can carry out their legislative responsibilities under the constitution.

It is well to go back over the years and recall that in 1957 when we assumed the administration of the government of this

country there was a five year agreement in effect with the provinces which provided for the provinces 10 per cent of the personal income tax, 9 per cent of the company income tax and 50 per cent of the succession duties. This agreement had five years to run, but we decided that it represented an injustice to the various provinces. While the agreement still had a lengthy period to run, we introduced legislation to increase the 10 per cent to 13 per cent. Then in 1961 a new agreement was brought into being which provided for a start at 15 per cent, which was to be increased by successive increases of 1 per cent to 20 per cent at the time of the expiry of the agreement.

It is well to review these stages, because it was the Conservative government which took the agreement in existence when we came into office and gave increases which we were in no way required to give to assure that confederation would operate through a proper discharge by the legislatures of their responsibilities.

In so far as the present plan is concerned, it represents a step forward in the direction which we took in two cases, one with an agreement already in effect and thereafter in the new agreement that is now in effect. However, it seems passing strange that all these things have come about in the course of a very few days since the federal-provincial conference, where the premiers not only did not receive hope but many of them left critical of the federal government.

Things have happened during the last few days. We read in the press that the premier of Quebec had expressed himself very definitely as to what he was going to do if the federal government defected. As a matter of interest, I seem to recall that in April 1963, on the Friday just before the general election, the premier of Quebec brought in a budget and at that time stated in effect that unless he got what he expected within a year, things would happen. He is to bring in another budget this Friday.

I would like to have heard these public discussions of which the Prime Minister has spoken in such soulful eloquence. I would like to have been present and to have heard the discussions between them. I am sure if Mr. Lesage could speak with freedom he would be able to tell us of queer sights that have not been seen at any time in the past. It is a strange thing, sir, that only two weeks ago the Prime Minister announced there was going to be an in depth examination by a committee set up by the conference; but now, before the committee has even begun its work, for some reason there is haste and change. The Prime Minister says he does not belong to that school that does not believe in change. Certainly no one has ever charged him with that and, because of the somersaults he and those associated with him have engaged in within the last few months, nobody ever will.

So far as the fiscal arrangements are concerned, there has been no prior consultation. We have always asked for consultation, which is the essence of confederation, before action is taken. We know that the Minister of Transport, and the chief co-ordinator, visited Quebec. Again we do not know what happened there, but it would be of tremendous interest to have a blow by blow account of that meeting which was marked by so much subsequent agreement.

We shall await the legislation. The extra assistance that is being given to the provinces will naturally bring pleasure to the provinces. It is significant that it is brought in only a couple of days before a provincial election in the province of Saskatchewan. That is another coincidence.

Earlier I mentioned that the Minister of Finance is not in his place in the house. I recall the words of the Prime Minister, and I am sure he recalls them too, which he delivered in Toronto on March 14 last to the district Liberal association, when he said:

> **But seeing that poor Walter Gordon is going to bring in his budget on Monday, surely we can spare him just a moment of silent prayer.**

Now, sir, I pass on to the last matter, and that is the question of pensions. There has been a tremendous metamorphosis in the pensions system. I recall last July 18 when the Minister of National Health and Welfare introduced her pension plan. It was something the like of which had never been seen before. It was to be accepted as it was. It represented the quintessence of all the wisdom of all the social welfare people of the country. That was the first edition.

We in this party have stood throughout the years for a contributory, universal pension plan for Canadians. First we raised the old age pensions from the degradatory level at which they stood at $46 a month. We raised them immediately we came into office. We not only raised them, but we also had to pay the $6 which the Liberals so begrudgingly gave in the last hours of the St. Laurent administration. Having raised them to a level that at least assured the old age pensioners of some opportunity in life, we then proceeded with the next step to bring into effect a universal, contributory plan.

The Prime Minister tries to brush that aside by saying that we were not able to say what the plan was, and that therefore the province of Quebec would not consent. Well, sir, the only difference between us and them is this,

that we did not present a plan to the provinces. We took the stand that that was our responsibility, but they had a plan which they have had to change, and the one they produced today bears very little resemblance to the one introduced last July, which was subsequently withdrawn, amended and further on reintroduced.

We believe in a plan that is adequate to meet the needs of all Canadians. But what about them? The Prime Minister speaks of consistency. First of all the Minister of National Health and Welfare said all the provinces must participate. Then the Prime Minister said "Well, if Quebec does not come in, we will still go ahead." A little later he said "But if Quebec and Ontario don't come in, it will be very difficult." Then when he concluded that that was to be the case, and he was entirely mistaken so far as Ontario was concerned, he still persisted in the view that even though Ontario and Quebec did not participate we would have a Canada pension plan.

Now, sir, what has happened? Again the veil is drawn. Amidst many luminescent words one thing we have not found out is what happened during the last few days, what happened since the conference, and what discussions took place. The Prime Minister says he believes in open diplomacy. Well, open diplomacy did not apply in connection with the discussions that took place and which resulted in this.

We in the opposition believe that the Quebec plan represented a great advance over the uncertain plan introduced by the federal government. We have taken that stand throughout. It was manifestly superior in many respects, and now the Prime Minister has produced a hybrid plan through the adoption of the Quebec plan, with the necessary modification that must be made of the plan that was previously produced, and that was given to us as though it were the law of the Medes and the Persians.

All we can say of the latest move by the Prime Minister is this. It has brought about the acceptance of principles which the government denied. We said all the provinces should participate. We said it would not be a national plan without such participation. We said Canadian unity would not be served by a plan such as the government had brought in unless changes were made. In this day of the expression "opting out", I can only say that no government in history has ever opted out of more plans and views placed before parliament in this connection in the last few months. A plan is placed before the house and then when there is criticism, with all the strength and unresilience of a reed they produce another. They bend. They opt out of what they previously declared to be essential features of a national plan. We had a plan embodied in the original bill. It was withdrawn and replaced by another; then withdrawn and replaced again. Yet the Prime Minister rises today after such an inept and bungling performance and says "Look at me." Consistency is not a jewel. But what parliament is entitled to have is a government plan, as was placed before parliament, not a series of plans dictated to it following the introduction of the first. There should have been consultation in advance and only then, after consultation, should the measure have been introduced.

As far as this plan is concerned, we have always been in favour of a national contributory plan and we shall continue to be in favour of such a plan. We think the present one, even in its latter form, is a better one than the government produced and placed before the house. We think, however, particularly as the government has said this is a much better plan than the one they previously had, that after this bill is introduced into the house it should have an early transfer to a committee of the house for further investigation, examination and improvement. That is our view. When I said "committee of the house" I meant to say a joint committee of both houses. We feel that such a committee is more necessary now than ever because we have before us a government which has already brought in one plan with fife and trumpet as if it were the greatest thing ever. Now they have retreated. They have retreated from the things they stood for, having tacitly admitted that their plans have been proven ineffective and inoperative and would have been a denial of Canadian unity.

We say that the bill now to be introduced—the *summum bonum,* as it were, of the collection of monstrosities which have already been before the house—should go before a committee. We shall give our support on the question of principle and we shall do our best to bring about any further changes which are necessary to ensure that Canadians in every part of the country may have the opportunity to benefit from a contributory pension in addition to a fair basic pension which has been adopted as part and parcel of the social security law of our country.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the Prime Minister has made a statement to the house on four matters on each of which I should like to comment very briefly.

The first statement had to do with increased revenue to the provinces. I think that announcement will be welcomed by all members of the house and by the provinces of

Canada, because the provinces have been facing an increasing demand for services in those fields which come under their jurisdiction. This has been particularly true with reference to education and the need for hospital accommodation, health services, welfare, and municipal services in respect of which municipal governments are looking increasingly to the provincial governments, and the provincial governments have reached the point where they can no longer assist the municipalities in the absence of some further sources of revenue.

Last fall the government made its first move in this direction by allocating an additional $87 million to become effective in this fiscal year, but it should be remembered that about half of that amount was given to one province, so the balance would not amount to a great deal when scattered over the other nine provinces. The Prime Minister announced today that the provinces are to be given an additional 2 per cent in personal income tax abatement commencing January 1, 1965, and another 2 per cent abatement commencing January 1, 1966. This will give the provinces very welcome relief in enabling them to find resources to meet their increasing responsibilities. It will certainly help. But I think we should not delude ourselves into thinking that the basic problem facing the provinces as they try to meet their legitimate responsibilities under our constitution does not still loom very large; a far more fundamental approach will have to be taken in order to solve it.

The second statement which the Prime Minister made has to do with the Canada pension plan and, as hon. members know, this is the third plan which has been outlined in this parliament. I make no mention of the plan outlined by the Secretary of State for External Affairs on January 30, 1962 on a national hook-up, which I take to have been largely Liberal political window dressing not meant seriously as a plan for the people of Canada. But this is the third plan which has been before this house, and I do not quarrel with that. I still think that the plan which was submitted on July 18 last gave the participants greater benefits for the money they were to contribute than any plan which has been submitted since. However, that plan ran into difficulties. Some of the provincial premiers were concerned about the need for investment funds; and well they might, because the provinces have a serious problem in finding adequate funds both for resource development and for social capital.

Personally I do not favour looking to pension funds as a means of finding this capital. I think there are better and more equitable ways of finding investment capital. I think to use pension funds for investment purposes confronts the provinces or a federal government with two problems. The first is that the burden of raising those funds falls on the lower and middle income groups and this is not the place where we ought to be levying money for investment purposes. Second, I think there is a conflict of interest between those who want to use pension funds for industrial development and those who are concerned about protecting the investment of the beneficiaries. The latter have to be cautious and careful, while those who are thinking in terms of economic expansion have to be prepared to take some risks.

This is a conflict of interest which I think would seriously hamper the free use of pension funds for industrial development. I think the answer lies in having the federal government proceed to establish a Canada development fund to supply the necessary capital to industries and to the provinces for resource development. I still express my great regret that this has been dropped into the dustbin of history. The federal government also needs to make available to the provinces large sums of money for social capital. Had these two things been done, then the premiers would not have had to think of the pension fund as a source of investment. But, Mr. Speaker, this house and the people of Canada have to concern themselves, not with the kind of pension plan we want but the kind of pension plan we can get, and the Prime Minister has now put before us a plan that it seems is generally acceptable to all the provinces of Canada.

I would like to know more about the negotiations. I was surprised that the negotiations seem to have been carried on mainly by Mr. Kent of the Prime Minister's office and the Minister of Forestry, and there seems to have been a complete disappearance of both the Minister of National Health and Welfare and the Minister of Finance, whom I thought would have been generally concerned with this problem. But whatever the discussions back of this plan, we now have a brief outline of a plan which we will have an opportunity of examining in greater detail.

We in this group have insisted all along that a contributory pension plan should have three basic principles; that it should be universal in coverage, that it should have portability, and that it should be on a pay as you go basis so that it would give the greatest possible benefits for the smallest possible contribution. In the plan which the Prime Minister has outlined the first two principles, and by far the most important principles, have been saved and an additional principle has been added; that is, that the federal government has been able to secure

from the provinces their acceptance of a constitutional amendment which will enable the government to include in the pension plan survivor benefits.

I think, Mr. Speaker, that this plan contains the best features of the Quebec plan and is a great improvement on the plan which is now before the house. I think this proposal which the Prime Minister has outlined very briefly represents a real victory for national unity and for common sense.

Some hon. Members: Hear, hear.

Mr. Douglas: I do not think we should waste the time of the house by trying to take credit on the one hand for all the virtues of the plan that has been evolved, or trying on the other hand to belittle the accomplishment that has been achieved. I think we should take pride in the fact that the federal and provincial governments of Canada have now taken a great step forward, and that this could be a red letter day in the history of social welfare in Canada, if it is the first step toward providing the people of Canada with a universal, portable contributory pension plan.

The Prime Minister has also outlined a proposal for extending family allowances to those in the 16 and 17 year old groups. This will apply to all parts of Canada, but in view of the fact that the province of Quebec already provides this service they will receive financial compensation for whatever outlay they make. I think this is a happy solution, in that it will give to the young people in this age group who are still attending school benefits all across Canada, will continue them in the province of Quebec, and will compensate the province of Quebec for its financial outlay.

With reference to the student loans, the Prime Minister's statement that the provinces will be allowed to administer these if they so choose and receive equivalent compensation seems to me to make sense, in that the provinces are in a good position to administer student loans because they are familiar with the students' problems. It will create some problem with regard to students moving from one part of Canada to another. Also I hope this will be kept in mind when the 10,000 scholarships are granted which the Liberal party promised before the election.

The point I want to make in closing, Mr. Speaker, is that the statements made by the Prime Minister today indicate very clearly that if we want to advance in Canada, if we want to make progress in reaching new social and economic plateaus, we will have to be flexible, we will have to recognize that experiment is the price of growth; and we will have to adjust ourselves and develop new techniques to meet the problems of confederation.

Some hon. Members: Hear, hear.

Mr. Douglas: There is a price which Canada cannot afford to pay for national unity. That price is to emasculate the federal government of all the powers which it needs to promote economic growth and full employment. But, happily, today no such price is being asked, and with regard to the proposals which the Prime Minister has made, I believe that the price is one which we can afford to pay and which we should pay gladly.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is with considerable interest that we have followed the reports of the negotiations which have been taking place the last several days, and now to hear the Prime Minister speak as he has spoken regarding the most recent developments relating to the fiscal arrangements between the provinces and the matter of pensions. I think perhaps the outstanding aspect of the decisions and policies which have been announced this afternoon does not relate directly so much to the pension plan, nor to the fiscal arrangements, as it does to the unity of our country.

Some hon. Members: Hear, hear.

Mr. Thompson: Somehow I seem to sense that we have passed over what was shaping up to a very serious crisis. Perhaps as in the days ahead we look back at this point, we will see that this is exactly what has happened. Premier Robarts of Ontario foresaw this when he stated at the federal-provincial conference, as is referred to in the letter which the Prime Minister has sent to the provinces, that it is important to the unity of the country that our pension arrangements across the country should not set up obstacles to the movement of the people and therefore must be national in character. Therefore, Mr. Speaker, I would agree with the Prime Minister when he says these decisions will help to unify our country.

The arrangements regarding the relinquishing by the government of further financial concessions is a recognition by the government that the provinces have not been getting their fair share of Canada's tax dollar. The acceleration of the rate of return of the income tax dollar appears to me to be founded upon the Diefenbaker-Sauve arrangements that were established in 1959, and this is good.

This being so, we must not consider it a final solution to the problem. A permanent and definite agreement must be reached for a just and all-inclusive arrangement which defines federal and provincial areas of rights

and responsibilities. This very definitely concerns provincial autonomy, and I think this can well be the second step which must be taken to further develop this point of unity which we have just mentioned.

In this regard I think it is good to note that all that comes out of Quebec is not negative. In fact there can be no doubt that if the present pension plan which has been referred to today can go forward to materialization, all the provinces are going to benefit as a result of the lead which has been taken in formulating a specific plan by the province of Quebec.

There is nothing wrong in taking a second look at a problem. I think it is commendable that we can lay down what we believe to be the correct plan at the time and then be able to adjust it as we realize more fully all the implications which are involved. I think as this pension plan and these fiscal arrangements are discussed further by the provinces, in this house and in the committee to which they will be referred, it may be necessary in some minor points to take still further looks at it. But at least we have reached at this point of the development of a national pension plan something which is certainly more hopeful than we have had thus far.

The result of last week's negotiations between the federal and provincial governments has proved without doubt that the position of the provinces is becoming stronger, and that the need for a continuing negotiation organization and consultation body is necessary between our different levels of government. I trust that this will lead very quickly to the setting up of some form of federal-provincial affairs department.

From what we have heard today the federal government is obviously pleased with the arrangements which they have been able to make, and I gather from reports that the provinces are likewise pleased. However, the person I am most concerned with is John Citizen, because during these past weeks of negotiation I do not think he has been consulted too much. Certainly this is a far different plan from what he has heard about before. The original plan was for a pay as you go plan. That plan meant that this generation supported today's senior citizens, and that when today's workers were retired they would be supported in turn by the workers of tomorrow. That would have meant that we could quickly look after one age group in immediate need at the present time, those between the ages of 65 and 70, and do so without waiting very long for the plan to get started. It would also mean that we would avoid the depressing long term effects of accumulating large reserves and plunging the whole country into debt by investing them.

This brings me to the point that a pension plan should be intended basically to provide pensions for the people and to provide the portability which is not available to them at the present time. There is the fact that there is now being added to this pension plan a source of funded capital, although it is being left with the provincial governments for their use, which is doing something beyond which I think a pension plan perhaps should go. I sympathize with the provincial governments because we all know they need money for development, but money for development should not be confused with money for pensions. However, I do not feel that the financial needs of our provinces and of our municipal governments mix too well together in this question of pensions. I just remind the house in this regard that we have our own Bank of Canada, and there is no reason why our needs for capital development within the provinces and municipalities could not be supplied therefrom.

However, this is not the time for debate on the pension plan. I would just point out that there are many matters which will have to be discussed when the proposed legislation is referred to committee, and there will likewise be discussions between the provinces as well. It is also good to note that there are survival benefits being planned. I am a little concerned that the self employed are going to be responsible both for the employer's contribution as well as the employee's contribution. With regard to the latter remarks of the Prime Minister, it is also good to note that all our student bodies across the country will be able to benefit equally. All these matters add up to the sum total that it is our opinion that progress has been made, and we look forward to the continuation of this debate.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, it is obvious that having been told of the new developments at a few minutes' notice, we are unable to delve properly into the matter. Yet, at first sight I shall not hesitate to say that, even if this is not quite satisfactory, the situation as a whole is rather gratifying.

Mr. Speaker, our group has now been sitting in the federal parliament for two years, and this is the first time that we see a government, whether the present or the last one, take concrete action to promote better understanding between the provincial and federal governments, or between the two great nations which make up this country.

Mr. Speaker, I must therefore say that as there had been no action on the part of the governments for the last two years, we began to feel slightly discouraged about future developments in the house. Yet, today's gesture

will encourage us to claim twice as loud as before, since we realize that, when we raise our voices to expound what we believe to be our rights, we get some satisfaction. Consequently, we shall clamour twice as loudly, in order to obtain twice as quickly the true confederation of two nations where each will have its recognized rights and responsibilities.

The pension scheme which has been explained today is, I think, a concrete example thereof. Understanding has been reached along general lines; there has also been agreement on the percentages to be levied and on the amounts to be paid to beneficiaries.

However, nothing prevents thereafter everyone from keeping his jurisdiction, from administering and operating his own pension plan; the province of Quebec will keep on administering hers, while the nine other provinces, if they wish, will agree to leave that jurisdiction with Ottawa or they might decide to administer their own pension plan, if they so desire.

In other words, there is agreement on the terms, but everyone is the master of his own fate as far as the pension plan is concerned according to the announcement made today. That is exactly what we understand by a true confederation of two nations, where there is room for agreement, but where everyone continues to guide and work out his own destiny as he sees fit.

Mr. Speaker, with regard to income tax, I must say that it is a little less satisfactory. We asked for 25 per cent, we got 24 per cent; we are short 1 per cent. I admit that the goal has almost been reached. The Prime Minister certainly showed himself a clever diplomat in coming to terms with the premier of Quebec—within 1 per cent.

Mr. Vincent: In two years.

Mr. Gregoire: I wanted to come to that; in two years only, whereas it should have been done before the budget was brought down in the Quebec legislature.

Of course, things will go faster because the income tax rebate granted to the provincial governments will increase by 2 per cent, then 3 per cent each year.

Mr. Speaker, some people may feel that things are not going fast enough considering that it has taken years—in fact, since the war—to get to those 24 per cent, considering also that from year to year or at least every two or three years, the rebate will be multiplied not mathematically but geometrically since it is being increased threefold today. However, I feel that this proportion of 24 instead of 25 per cent will be considered satisfactory by those who wish to find a fair solution through understanding and harmony. However, this is not a final agreement but rather the beginning of negotiations which will end only the day that Quebec has recovered 100 per cent of personal and corporation income taxes and of the estate tax.

In my opinion, this will be possible in 1967, when the provinces will be able to put an end to the agreements and get 100 per cent of the income tax.

As for the pension plan, the federal government has deemed it advisable to change its mind; I do not think it is a mistake. There is a latin proverb which says: *Errare humanum est,* it is in the nature of man to make mistakes. Well, I believe that the federal government has at least gained a point; the provincial government wanted to increase income tax by 4 per cent for the pension plan, now it will be increased by 3 per cent only. As the hon. member for Burnaby-Coquitlam (Mr. Douglas) said a moment ago, I do not think that a pension plan should be used to accumulate savings for reinvestment in industry. In my opinion, a pension plan should serve to give bigger pensions to those who have reached retiring age. Above all, let us not forget that those who will have to subscribe to the pension plan at the rate of 3 per cent later on will borrow their own money so as to be able to develop. It might be better to leave them their money now, so that they might prosper without having to borrow later from the pension fund.

With regard to the $10 paid to students, the young people in the province of Quebec will be passed over without being able to benefit therefrom. On the allegation that they already benefit from this amount, the whole sum will be paid out to the provincial government. Now, there have been some instances in the past where things were not done in that way. For instance, when the old age pensions were increased in Alberta and British Columbia, the amount was larger than in the other provinces, because those two provinces were granting an additional amount to their senior citizens.

When old age pensions were increased, those two provinces did not tell the federal government: "Hand that money over to us, so that our old people will get neither more nor less, but certainly not less, than in the other provinces." Nobody tried to reduce what the provincial government was already paying out, so that the federal increase would be of no use to anybody.

I wonder why the premier of the province of Quebec would not rather undertake to pay those additional $10 to the young people in the province so that they would get $20 as a school allowance. They have great need thereof, as until now education in the province of Quebec has proved almost a failure,

and education is certainly not free, because taxes have increased and students have to pay still more than formerly, in order to be able to continue their studies at the university level.

In concluding I should like to refer to a sentence which went by very quickly in the statement made by the Prime Minister. He said that the federal government will have to recover that from other sources of income, in reference to the additional tax rebate of 2 per cent per year. Does this mean that the federal government intends to increase taxes or to do in Ottawa what Mr. Lesage was going to do in Quebec, namely impose double taxation? A warning must be given to this government which shares the tax yields to the benefit of the provinces, that it should not attempt to get more income out of the pockets of the taxpayers already overburdened with taxes.

One last remark, Mr. Speaker, especially as regards the province of Quebec. A year ago, the premier of that province asked for a tax rebate equivalent to $150 million and said that he would need that amount this year. In November, he received an amount of some $43 million. For next year, he will get $17 million more, that is $60 million, while Quebec requirements are of $150 million.

Mr. Speaker, I think that is the crux of the statement made today. In giving back to Quebec the revenues to which it is entitled under the constitution of this country, and also because of its priority requirements, I believe that the federal government does not go far enough and I wish to warn them that if they do not go farther than they did today, there is a risk that the dissatisfaction of the province of Quebec will not die out with the crumbs it got today, but will rather become more pronounced, because Quebec, wishing to be in a position to develop itself and be the master of its own destiny, is eager to have complete restitution of its revenues.

The sentiments prevailing at the present time in the province of Quebec will not be stifled by the few crumbs that have been handed out today. To do it successfully would require the complete return of its income. It may be possible to make the province wait a while longer by gradually giving back to it part of its revenues, but I feel it will have to be done at a much faster pace than the one mentioned today.

That will have to be done, not by handing out a few crumbs now and then, but by proceeding at such a pace that, within a few years at the most, Quebec will have recovered all its sources of income.

Mr. Speaker, for a beginning, perhaps that is not much, but at least it is something. More must be done and at an accelerated pace. Should that be the case, confederation, renovated by the adoption of new principles, will be able to survive and good understanding will prevail between our two great nations, both living in harmony in one great country called Canada, providing we proceed right now, at as fast a pace as the rate of growth and as fast as necessary to give satisfaction to Quebec which, after all, is only claiming the rights granted to her by the constitution of 1867.

[*Text*]

PROCEDURE

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That the second report of the special committee on procedure and organization, presented on April 15, be now concurred in.

He said: Mr. Speaker, I should like to express my gratitude to the special committee on procedure and organization for according me the honour of moving concurrence in that committee's second report. I am grateful, too, to the hon. member for Peace River (Mr. Baldwin) for his consent to be the seconder of the motion. Speaking both for the member for Peace River and for myself, I may say that we are doing this on behalf of the special committee on procedure and organization.

Hon. members are aware that the second report, concurrence in which we are now asking, is to be found on pages 211 to 214 of *Votes and Proceedings* for Wednesday, April 15. Hon. members are aware also that in that report it is made clear that the two main recommendations which the committee is now making to the house are made on a trial basis. If this report is concurred in, as we hope it will be, the proposals contained in it will come into effect today and remain in effect for a period of six weeks or until the end of the month of May, at which time it will be for the house to decide whether or not these proposals are to be continued.

The report makes it clear also that although we are today presenting only two main proposals, this is only the beginning of our work. The committee hopes to bring in other changes from time to time pending a final report on behalf of the committee. I draw hon. members' attention to the fact that there are two main sections of the report now before us, concurrence in which is now being sought. The first section relates to the orders of the day question period, and the

second section relates to the handling of notices of motions for the production of papers. Because the second of these proposals is the least complicated I should like to deal with these two proposals in reverse order.

With regard to notices of motions for the production of papers, we are making two suggestions. The first one we make by an amendment to a standing order, and it is to the effect that there should be a time limit on the total amount of debate that might take place on a notice of motion for the production of papers that has been transfered for debate on every second Thursday at five o'clock. We propose that when a motion under that order has been debated for a total time of two hours and thirty minutes, the debate shall be interrupted and the minister, whether or not he has already spoken, shall be given five minutes at that point and the mover of the motion five minutes, whereupon the question shall be put.

The other suggestion we make with regard to notices of motions for the production of papers has to do with the way in which they are handled in the first instance, when they are called on Wesdnesdays. We suggest that they be handled in a manner similar to that which is now employed with respect to the printed questions on the order paper. I need not go into details about this. I am sure all hon. members will realize that a good deal of time can be saved in this way and, as a matter of fact, certain annoyances we are now experiencing on Wednesday afternoon, could be avoided. I trust that the proposals we have made with respect to notices of motions for the production of papers will commend themselves to the house and that they will be accepted for this trial period between now and the end of the month of May.

I return to the first of the two main sections of our report, namely the section that has to do with the orders of the day question period. In legal or procedural terms, we have not had any such period up to the present time. There is nothing in the standing orders that provides for questions prior to orders of the day, but tradition has overridden the standing orders and it is the view of the committee that we should now regularize this procedure by a standing order and should make certain provisions regarding it.

We considered very thoroughly and very seriously, the proposals that have been made to put a time limit on the orders of the day question period. We have decided, both as a subcommittee and as a main committee, not to recommend a time limit except for the fact we do recommend trying a 30-minute time limit on Wednesdays only. The reason we do not propose a time limit on the question period is that we feel there are too many complexities. In view of the number of parties there are in the house; in view of the questions of order and points of privilege that arise, we feel we might be asking for more trouble than we would get rid of by applying a time limit. We felt rather that we should approach this orders of the day question period from two points of view. We feel that, on the one hand, there should be some clearcut rules and directions for the orders of the day question period and, on the other hand, there should be a recourse, an escape valve or an alternative that would make it possible for Mr. Speaker with the co-operation and assistance of the house, to apply the rules and directions that we suggest for the orders of the day question period.

Having these two things in mind, we therefore recommend a standing order to regularize the orders of the day question period and to give control over that question period into the hands of Mr. Speaker. In addition to the standing order, we recommend, as our report indicates, that certain guide lines should be followed in allowing questions during this period of time. We hope that this standing order and these guide lines will enable the house, under the direction of Mr. Speaker, to improve the orders of the day question period. We hope it will shorten it, but we want to make it clear that that is not our only concern. We would like to see the period sharpened and made the effective part of our parliamentary procedure that the question period ought to be.

It is our very strong view, Mr. Speaker, that merely to impose restrictions on the orders of the day question period, by itself, would not solve the problem and would not retain the rights that are inherent in the asking of questions. We therefore propose, and members are familiar with it now, that on three nights in the week, Monday, Tuesday and Thursday, there be available a possible half hour period during which there might be short submissions on three different subjects on each of these three nights.

Our proposal is that if during the question period a member feels dissatisfied with the answer he gets from the government or if he feels dissatisfied with the direction given him by Mr. Speaker not to proceed with his question, he may give notice that he wishes to raise that matter at the time of adjournment. He can give that notice orally at that moment if he wishes to do so. But whether or not he gives it orally, we direct that he give it in writing to Mr. Speaker by five o'clock and we direct that at six o'clock Mr. Speaker indicate—that is on Mondays, Tuesdays and Thursdays—what matters will be allowed for debate that evening. We lay down

certain matters that Mr. Speaker may have regard to. We hope we have covered most of the details to make this a workable operation.

One of the conditions we suggest is that consideration be given to apportioning the opportunities among the various parties in the house. We feel that when the plan is put into operation, we can shorten the time taken for the question period and yet preserve the right of members to have a chance to say something on matters that they feel are not satisfactorily dealt with in the question period.

These three possible statements or debates at night, between ten o'clock and 10.30, will be limited absolutely to a total of ten minutes each, seven minutes for the member who has been given the floor, and three minutes for the minister or parliamentary secretary who may wish to reply. We also provide that if any one of these matters takes less than ten minutes then the house gains, in the sense that it adjourns that much earlier.

As I have indicated to hon. members, the details of this arrangement are spelled out in the report which is to be found in last Wednesday's *Votes and Proceedings*. We feel if hon. members will give this whole proposal a fair trial and will co-operate with Mr. Speaker, we can perhaps institute a new approach, a new attitude toward the question period, from which we will all benefit.

Mr. Speaker, I make this motion on behalf of the committee. I present it to parliament as a whole on behalf of parliament as a whole, but I do crave a moment to introduce just one personal note, and I shall put it this way. Although I am doing this on behalf of the committee, it is a fact that I sit on the opposition side of the house, as I have all my parliamentary life. Thus I have a built-in desire to protect the rights of the opposition, to protect the rights of individual members in the question period, and yet it is precisely from that point of view that I want to say that I feel this new arrangement that we are proposing not only will help to shorten the question period but will protect those rights by helping to sharpen the question period and make it a more effective instrument in the course of our parliamentary procedure.

We welcome the interest shown in the report by the news coverage given to it during the last several days. We welcome the editorial support we have noted in various newspapers throughout the country. I welcome the support hon. members in all parties have indicated, in speaking to me personally about it.

I hope we can therefore adopt this on a trial basis, and that the house will support Mr. Speaker in applying the rules and suggestions we have laid down so that, all told, we can take a step forward. With respect to the rules and recommendations about the question period I would like to make this one further point. Up to this time, when Mr. Speaker has sought to apply rules and precedents about the question period he has had to rely on what former speakers have said, but these have not been dicta that came from the house itself. If the house today passes this report, Mr. Speaker will have as his authority not just statements from the Chair, statements out of the past, not just his own judgment, but he will have the direction of this very House of Commons which we will have given by supporting this report at this time.

So, Mr. Speaker, believing that this will be a useful step forward in our attempt to improve the procedures of the House of Commons, I express the hope that the house will support the motion for the adoption of this report; that it will support the letter of it, that it will support the spirit of it, and that from this day forward our question period and some of our other procedures in the house may become, even more so than they have been, an expression of the best traditions of parliamentary procedure.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as might be thought at this time I would like to say a few words on this particular subject because I have, shall we say, a built in or vested interest. I think hon. members will realize my own interest in the question period.

In making a few brief comments I would like to say that I too share the views of the hon. member for Winnipeg North Centre (Mr. Knowles), which I believe were fairly general in the committee. However, it must be clearly pointed out that the adjournment period that is proposed under standing order 39-A must not be deemed an opportunity for an extension of government business in that at five minutes to ten o'clock, or at ten minutes to ten in the evening it would not be suddenly put to the house: How about waiving the adjournment debate and carrying on with the government business?

We will see how this works, because in many instances I know it is in the interest of the government and in the interest of the house to continue beyond ten o'clock. Therefore it should not become a practice to intrude government business into this period, and it must be recognized that ten o'clock means the hour of adjournment. If ten o'clock is definitely understood to be the hour of adjournment, and that we will not be very

literal in the interpretation of ten o'clock, then perhaps some of the difficulties might not arise. Therefore I wish to enter that caveat.

Second, I would have thought the hon. member for Winnipeg North Centre would have agreed on this point, which is one I do not want to propose as an amendment to the report, but which I hope will meet with his agreement. In paragraph 5, in the first line, I would have preferred to have seen after the word "with" the words "and subject to the limitations of standing order 39(1) as they apply to written questions and answers," so as to indicate clearly that the limitations which we have in our rules with respect to argument, opinion and so forth in regard to written questions should now apply also to oral questions.

I think Your Honour will agree with me that this is the most difficult area for the Chair in ruling as to whether questions are in the proper form and should be admissible or not. The same thing applies to answers. Standing order 39 is completely silent at present with regard to oral questions. It deals only with written questions on the order paper, but by tradition a similar right has grown up to ask oral questions and, by inference, that they should be guided by the rules which apply to written questions.

I would suggest it should be clearly set out that oral questions shall be subject to the same limitations as written questions and the same, of course, will apply to answers. I say this in order to strengthen the hand of the Chair in relying upon the precedents set by Your Honour's and my predecessors as to the nature and content of questions and answers.

The only way we can do it, and I am being legal in this, is by a reference to standing order 39(1), and if standing order 39(1) is not referred to in standing order 39(5), there could be an argument that all of these precedents and so forth had no application to oral questions. Therefore I hope it would be understood in this experimental period that the limitations in standing order 39(1) will apply to standing order 39(5).

Mr. Knowles: Would the hon. member permit a question.

Mr. Lambert: If it is permissible at this time, Mr. Speaker, on motions.

Mr. Knowles: This is a debate on a motion of which notice was given. I wonder if the hon. member has noted that in the report of which we are asking concurrence there are recommendations which will be found on page 213 of *Votes and Proceedings* for Wednesday, April 15, and among them is one that suggests that questions asked prior to orders of the day should be governed by the provisions of standing order 39(1), and the spirit of that will include 39(2). If within the next six weeks it does not prove satisfactory, we can word the permanent order to take care of the points which the hon. member is raising.

Mr. Lambert: I was fully aware of these suggestions by the committee, but I think this is a caveat with respect to the drafting of the standing order.

Perhaps I may refer to one other point, that is, the adjournment debate. It is intimated that an hon. member may give notice in writing of a question or a point which has risen during the question period and which he wishes to raise further. That is with respect to oral questions. I would point out that it is of equal importance that an hon. member should be able to raise a point in connection with the answer to a written question. Many of the difficulties which have arisen in the house have arisen out of the nature of a written reply which has led, in turn, to a question of privilege being raised, or ventilation of the subject matter under the guise of privilege. It is not really privilege, in my humble opinion. I feel this suggestion would be an improvement on the present arrangement and I commend it to hon. members. I appreciate that there is to be a six weeks trial period, but I think the house itself might be willing to accept this suggestion, that answers to written questions be included among those matters which can be discussed during the adjournment debate.

Right Hon. L. B. Pearson (Prime Minister): In rising to support the motion to adopt this report I should like to express the appreciation of the government for the work of the committee under your chairmanship, sir, the first encouraging results of which we have before us in this report, a report for which we are indebted to a sub-committee under the chairmanship of the hon. member from Winnipeg North Centre who has introduced it.

I am sure I am speaking for all hon. members when I say we are grateful to him and to his sub-committee for what they have done, and I think we can be glad that we have among us one with so much experience in this field as the hon. gentleman who presided over the sub-committee. We all, I think, appreciate the breadth of his knowledge in this field and the value of his experience. I may say its value would be even greater, of course, if by taking the appropriate action he could acquire some experience of rules and procedures from the vantage point of a place on this side of the house.

Mr. Knowles: I have been trying to get there for half my life.

Some hon. Members: You have made it; you are there now.

Mr. Pearson: However, apart from that limitation of his experience he certainly is an expert in this field. I do not profess to be an expert at all, though over the years I am picking up a bit of experience with regard to rules and procedures here and there. And with another ten or 15 years in the house—

Some hon. Members: Hear, hear.

Mr. Pearson: —on one side or the other, I hope to be able to speak with some authority in these matters. It seems to me that the report makes some interesting recommendations which may turn out to be of considerable value. It has been pointed out that if adopted they will be in effect for a trial period only to the end of May. I think this is a sensible way to proceed, because in the light of our experience we shall be able to decide whether to retain them, alter them, or drop them.

I find it very intriguing indeed to note from the report that an effort is being made to shorten the period devoted to questions without putting any time limit on the question period. That may well work out, Mr. Speaker, in the way the committee hopes it will, but I venture to express the hope, on my part, that it will not work out to the extent of our having to sit from 10 to 10.30 every night, because if that happens, and if we have the same length of time devoted to questions in addition to the extra half hour, we shall certainly not have expedited our proceedings. I know this is not in the minds of those who have made the recommendations in this report because it is pointed out with particular emphasis in the recommendation dealing with the shortening of the question period that the proceedings will have to be conducted along the lines indicated in paragraph seven of the report, that is to say oral questions will have to be governed by the rules laid down in subparagraph (c) of paragraph 7, they should only be in respect of questions of such urgency and importance as to require an immediate answer, and so forth, and also that answers to questions shall be as brief as possible to deal with the matter raised and should not provoke debate.

I would point out, however, that if an answer is not to provoke debate the question should not be of such a character as to be provocative and call for that kind of answer. If one is asked, for example: "What do you think about the European common market" or "What do you think about the situation in Viet Nam?" it is difficult to be brief and to the point and not to provoke debate. I believe we shall have to practise a good deal of self-denial on both sides of the house. However, I am encouraged to think this may work, because one of the recommendations in the report says there may be no appeal against any ruling which you make, Mr. Speaker, in connection with this subparagraph. I take it, Mr. Speaker, that this means that once you have decided that a question is not in order there can be no appeal against your decision and that there can, surely, be no points of order or questions of privilege raised in respect to that decision. I say this because unless the word "appeal" is interpreted in this way we might waste as much time dealing with points of order and questions of privilege arising out of questions which have not been accepted by you, or accepted only for discussion at ten o'clock, as we would conceivably gain in other respects. Unless we interpret the recommendations in that way we might even find we have lost time rather than gained it.

I am interested in the recommendation dealing with a new procedure for handling notices of motion for the production of papers, a recommendation which I think should save time and expedite business. I say this because this is the first time, as far as I know, that a recommendation has been put forward containing the principle of an allocation of time to specific matters. In this case we are allocating a certain amount of time to debate on a particular subject, and that, I think, is of some significance.

On the whole we think these recommendations certainly deserve the trial they are to be given, and if they operate as the subcommittee hopes they will operate, they may be the first of a long series of recommendations from a very important committee which we have set up and which may go a long way toward making our House of Commons more effective in the discharge of the nation's business.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I join with the Prime Minister in the expression of the views he has just placed before the house—that we should endeavour to the limit to bring about, by agreement, measures, through changes in the rules, to make more effective the operation of parliament.

I was impressed when the right hon. gentleman said he had been here for quite a while but he did not know anything about the rules, or did not know too much about them.

Mr. Pearson: I said I was not an expert.

Mr. Diefenbaker: The next time he objects to something I raised in the house I want Your Honour to remember that frank admission on the part of the Prime Minister. It was delightful, that admission, and one with which I am in entire agreement. The Prime Minister has referred to the committee and its operation. We have been trying through the years to bring about worth-while changes in the rules; committees have been set up and changes have been made. Further changes will have to be made. However, I should say this: I think you, Mr. Speaker, are the third or fourth Speaker who has headed a committee in this connection and I know that the house will agree that no one has given more devotion to making this chamber effective and assuring that the prerogative rights of parliament shall be maintained, while at the same time making those necessary alterations in the rules to meet changed and changing conditions. You have made a study of this subject and you have given a fine example in the chair of trying to carry out the embodiment of your views in this connection.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I should like to point out, however, that in any changes made we must not deny parliament the fullest right of examination through questions. Some people say too many questions are asked. I read that in some sections of the press. Well, Mr. Speaker, I would recommend to those that hold that view an examination of the British *Hansard* where, in place of the few thousand questions that are asked here today, some 20,000 and more, as I recall it, are asked there. There one cannot rise and embarrass the government in any way by asking an initial question; the embarrassment always takes place in the subsequent questions, the supplementary questions that are asked.

Questions have their place and there must be no unnecessary interference with the full rights of members to ask such questions as come within the rules. There are many questions which could go on the order paper. However, I find that the order paper would indicate that a degree of celerity in the answering of questions has not always been characteristic of this government. I point out that according to computations made by another there are on the order paper 75 questions at this date that have been on the order paper for more than a month. There is something wrong if these questions cannot be answered. They are simple questions. The answers to some of them may not be as favourable to the government as it would like them to be; but there are more than 75 questions that have been on the order paper for more than a month. I am not going to read them.

Even worse is the fact that there are seven starred questions, questions that should be answered immediately, on the order paper which have been there for more than a month. The purpose of a starred question is to ensure that immediate attention be given to an immediate matter—and seven, as I said a moment ago, have been on the order paper for more than a month. Twenty eight questions have been on the order paper for three weeks and less. In the United Kingdom, when you ask a question it is answered within three days. That makes for an effective parliament. I am not speaking of starred questions now; starred questions are answered at the first opportunity, almost immediately. But other questions are answered within three days. I hope the spirit of co-operation that is apparent in the committee will find its way into the hearts of the ministers of the crown and that they will bring in answers to our questions expeditiously and without that delay that has so often characterized the answering of questions.

I am glad there has been the acceptance of a suggestion that I made, that where questions are not answered in a way that, in the opinion of the questioner, gives the full facts, an opportunity shall be available, within the limitations set out in the recommendation, to carry on beyond ten o'clock. The Prime Minister was a little concerned about this. I took it from his words that he thought it would really mean the house will be sitting from 10 to 10.30. You, Mr. Speaker, have seen the operation of the British parliament. I have seen it in operation, and sometimes when these questions arise, out of the 600 and some members of the House of Commons no more than three, four or five are in the chamber when these disputations take place following the regular adjournment hours of ten o'clock.

I think the suggestion made by the hon. member for Edmonton West (Mr. Lambert) is one that deserves the consideration of the committee. He pointed out that written questions, too, should be placed in the same category in so far as answers are concerned, so that anyone dissatisfied with such an answer would be able to raise the question, with Your Honour's leave, at the time of the automatic adjournment.

There is one suggestion that I make. It does not come within the purview of the report as it now is, but a reading of *Hansard* through the years indicates that interruptions from a seated position have become increasingly evident and the custom. When I first came here there were few of those;

one who wished to ask a question rose in his place. Today there are those seated interruptions. We are all guilty of them. It spoils the appearance of *Hansard*. It gives to readers of *Hansard* the idea that, to use a vulgarism, horseplay is indulged in by members from time to time. In my opinion, and I think the rules bear me out, no interruptions excepting those that are adopted by the person having the floor should find their way into *Hansard*. In the United Kingdom the course followed, after their experience of years in the mother of parliaments, is that when interruptions of this kind are made *Hansard* shows "An interruption", and that is all. The failure of *Hansard* to designate the member who made the interruption has a most salutary effect on the number of those interruptions. It is perhaps just a coincidence, but it is a fact with regard to an interruption or question asked. If there is no identification of the person making that interruption, it is surprising the degree to which that fact has an ameliorating effect on the enthusiasm of the interrupter.

As one looks at *Hansard* today one sees it plastered with questions and interruptions both at the time of questions prior to orders of the day and in general debate. One can only conclude that the acceptance of the principle I suggest, as followed in the mother of parliaments, would be beneficial here. That of course does not mean that in committee of the whole, committee of supply and the like, interruptions like that should not take place. They there have their place. But I am referring to the interruptions that consist of gratuitous statements made for no other purpose than to cause disruption, to disseminate humour, or for some other ulterior purpose.

I think the committee has done well in the recommendations already made; I think there is much more to be done. However, all the rules in the world will not bring about an expeditious and effective parliament without the co-operation of all of us, and I am sure that each of us personally will want to advise you of his or her intention to try to the limit to carry out the spirit of this house.

When people speak of the house being disorderly, I can only say to those who have come to that view that they know not Westminster. We had a visitor recently within the last two weeks, a professor of political science from the United States. I do not know the man but he is one of the outstanding political scientists in the eastern United States. He sat here in the gallery, and he said: "I want you to know and to let your fellow members in the House of Commons know that while I read of much criticism of the operation of your House of Commons I have found it a place of great dignity as compared to another representative institution"—which I am not going to identify. I hope that, as the Prime Minister said, we will be able, in that spirit of co-operation which you, sir, brought to parliament, to bring about in your period of office the greatest improvements in parliamentary procedure which have been made in a lifetime.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, because I cannot make any claims to having had years of experience in this house—although I have had some experience in the way of getting things done as far as jobs which have come my way to do are concerned—and also because it is now two hours and 15 minutes since we began today's session and have not yet reached the question period, my remarks will be very brief. I commend the committee for the report they have submitted. I commend it to the house and suggest that we give it a fair trial. If we can all apply a little common sense and self-discipline I am sure that we will have a more effective House of Commons.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, personally, I have only two years' experience in parliamentary procedure. Like my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), I have yet to get the experience of those members who sit on the other side of the house, but I may have to my credit one experience more than he has.

It happened two week ends ago when the secondary school students in my riding asked me, Mr. Speaker—can you imagine that—to act as speaker in their mock parliament.

Mr. Lambert: It must have been quite a task.

Mr. Gregoire: That is exactly why I found the assignment very tough. I could not say a word during the two days that this mock parliament sat. However, it was good experience.

It also makes one realize the difficulties facing the man presiding over the proceedings of the house and what are his responsibilities.

For the suggestion made to us today to be successful, I think that first of all, the question askers should show good will, that those who have a question to ask should abide by the standing order established by the committee on procedure. That is of prime importance. The same goes for the ministers' answers.

Of course, we are doing this on a trial basis. But if all the answers given by the ministers bring about a request from the opposition to put on the agenda of the ten o'clock period the matter on which information is sought, it will not take a month before there are many more questions to discuss

during the period from ten to ten thirty on Mondays, Tuesdays and Thursdays than all the questions or measures the government might want to introduce.

So, if the answers given by the ministers are ad hoc answers to the questions posed, there will be less disagreement on the experiment we want to try today.

But I think the greatest responsibility—and that is why at the outset of my remarks I said the Speaker had great responsibilities, for having experienced it myself—in this experiment will rest on the shoulders of the Speaker. It will be quite easy for him to rule that any question is out of order—there will be no point of order, no question of privilege. It will be the easy way.

It will be up to the Speaker also to decide which questions are urgent and which are not. In that connection, I should like to recall personal impressions in order to show that a question may seem urgent to some persons and not to others. When we first came to the house and listened to questions being asked concerning agriculture, all of them were accepted if they referred specifically to wheat; in such a case, they were urgent and important. However, if these questions referred to eastern agriculture, to the culture of potatoes, to stock breeding, to milk production or to something else, then they were ruled not urgent, and that seemed to be taken for granted by all parties in the house.

I will admit that, for a year now, hon. members seem to have taken into account the fact that certain matters which in former years did not seem to be urgent are very much so today.

Therefore, Mr. Speaker, I think that the most important point in this new experiment will be to determine which questions are urgent and important.

I should like to add a last point, mentioned earlier by the Leader of the Opposition, and it is this: questions on the order paper will have to be answered much sooner than has been the case till now. In respect of certain questions, we have had to wait a month, sometimes a month and a half, before getting an answer. That is why hon. members ask questions and request information on orders of the day instead of putting their questions on the order paper. If replies were provided sooner to questions put on the order paper, hon. members would be encouraged to use that media since such replies are more elaborate and, therefore, provide better information than those given during the question period. Indeed, that is quite understandable since the minister to whom the question is directed is then in a better position to get the necessary information and he can provide a more satisfactory reply when he has the time to prepare himself than when a question is put to him without notice during the question period.

As far as our group is concerned, Mr. Speaker, we intend to co-operate loyally and sincerely in this new attempt, with a view to shortening the question period and expediting any legislation which might be more urgent. In fact, this constitutes the primary purpose of hon. members' work, that is to pass legislation which will serve the best interests of the Canadian people.

[*Text*]

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I just take a minute briefly to refer to one or two matters which have been introduced, bearing in mind that I did second this motion. First of all, I agree with what was said by the Leader of the Opposition (Mr. Diefenbaker) and the hon. member for Winnipeg North Centre (Mr. Knowles), that this house does not exist entirely for the purpose of permitting the business of government to be proceeded with; it also exists for the benefit of members of parliament to deal with grievances and matters of urgency affecting this country.

The Leader of the Opposition referred to the situation in the old country. It so happens that I have before me a book entitled "Questions In Parliament" by Chester and Bowring. In order to emphasize what the Leader of the Opposition said I would point out that I find in the book that in 1945-46 there were 21,135 starred questions asked and a total of 27,313 starred and unstarred questions. In 1959-60 there were 10,161 starred questions asked and a total of 13,471 starred and unstarred questions. This indicates the extreme importance of this issue.

May I say that when the members of the subcommittee met we were as far apart as we could possibly be as to the type of amendments we should propose, and it was only by each accepting a little of the philosophy of the other and by reducing to some extent those things which we thought were essential that we were able to come up with this temporary measure which I think is going to be very effective in its operation. Finally, I should like to refer to the matters which were raised by the hon. member for Edmonton West. He brought up suggestions which I placed before the subcommittee and the committee. But I put it to you this way, Mr. Speaker. If we concur in this report we will then be saying by a vote of the house, because this will be a resolution passed by the house and it will become a part of the procedure, that we are accepting the guide lines and the suggestions as to questions and answers contained

in paragraph 7 of the committee's report. We are thereby saying that this is the view of the members of the house. We are asking you Mr. Speaker, in accordance with these guide lines to interpret what are questions of urgency, to designate the questions which should be asked and, just as important, to designate the type of answer which should be given pursuant to what we have set out in paragraph 7 of our report.

So, Mr. Speaker, while it might have been desirable from the viewpoint of neatness and tidiness to have incorporated this and the reference to standing order 39 (1) as a part of the new standing order, nevertheless by adopting the report we are in effect doing precisely that. We are in effect saying to you, sir, and to all members of the house: These are the rules which we as a body are directing and requesting each individual member to observe. Under those circumstances I feel that this procedure will be just as effective as if we had proceeded in the other way.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NORTH SYDNEY, N.S.—DISPOSITION OF OLD AIRPORT BASE

Question No. 167—**Mr. Muir (Cape Breton North and Victoria):**

Is it the intention of the government, through the offices of the crown assets disposal corporation, to dispose of the buildings and property at the old airport base, Upper North Sydney, Nova Scotia?

Mr. Deschatelets: Disposal of the buildings and property at the old airport base, Upper North Sydney, N.S. through the offices of the Crown Assets Disposal Corporation is under study. No decision has been reached.

REGULATION RESPECTING COMMUNITY ANTENNAE

Question No. 399—**Mr. Leboe:**

1. Is there a directive or a regulation prohibiting the reception or distribution by individuals or corporations of a signal or electrical impulse by use of (a) community antennae (b) closed circuit distribution, each recipient holding an individual contract?

2. If so (a) what are the terms of such directive or regulation (b) by whom was it issued, and (c) under what authority was the said directive or regulation promulgated?

Mr. Pickersgill: 1 and 2. Community antenna television systems operated for gain require to be licensed under the provisions of the Radio Act. This requirement does not apply to closed circuit distribution systems unless a radio link of some sort is involved. There is no directive prohibiting reception or distribution, but the Secretary of State and the Minister of Transport announced on December 31, 1963 that pending a report by the board of broadcast governors and subsequent formulation of policy by the government, there would be no additional licensing of these systems under the Radio Act which would involved the bringing in of new signals from outside the country; or where more than 25 per cent ownership was outside the country.

CANADA PENSION PLAN PERSONNEL

Question No. 475—**Mr. Coates:**

1. How many individuals have been recruited by the civil service commission, or by other means, in connection with the establishment of an administration for the Canada pension plan?

2. What are the names of the individuals recruited and where are they now employed?

Mr. Lamontagne: Civil service commission

1. The civil service commission has not recruited any individuals in connection with the establishment of an administration for the Canada pension plan.

2. See answer to 1. above.

Department of National Health and Welfare

1 and 2. None. Extensive use has been made of the existing staff of the old age security division and the research and statistics divisions of the department.

POST OFFICE CONSTRUCTION, ONTARIO AND QUEBEC

Question No. 483—**Mr. Lessard (Lake St. John):**

1. How many post office buildings did the Department of Public Works build during the fiscal year 1963-64 in the province of Ontario, and what was the total cost of those buildings?

2. How many post office buildings did the Department of Public Works build during the fiscal year 1963-64 in the province of Quebec, and what was the total cost of those buildings?

3. What construction is projected in this field for the fiscal year 1964-65, in the province of Quebec?

4. What construction is projected in this field for the fiscal year 1964-65, in the province of Ontario?

[*Translation*]

Mr. Deschatelets: 1. Twenty one buildings at a cost of $497,998.17.

2. Thirty eight buildings at a cost of $1,119,885.75.

3. Chateauguay, Public building; Lachine—Ville La Salle, Postal substation; Montreal—Cote St. Luc, Postal substation (extension and alterations); St. Lambert, Public building; Dorion-Vaudreuil, Public building (extension and alterations).

4. Aurora, Public building; Dresden, Public building; Dryden, Public building; Elmira, Public building; Espanola, Public building; Keswick, Public building; Newcastle, Public building; Port Elgin, Public building; Schomberg, Public building; Toronto, Postal substation "L".

Note: Ordinary post office buildings, including revenue post offices, are not included in answers 3 and 4, since the exact scope of their program is not yet determined.

[*Text*]

*EMPLOYMENT OF OLDER WORKERS

Question No. 485—**Mr. Rynard:**

1. Under the older workers employment program whereby salaries are supplemented to a maximum of $75 monthly out of public funds, how many workers over the age of 45 have been employed under this plan to date?
2. What is the total sum paid by the government as salary supplements under this plan to date?

Mr. MacEachen: 1. 1,811 as at March 31, 1964.

2. $34,971.88 as at March 31, 1964.

USE OF PORT FACILITIES, MULGRAVE AND NORTH SYDNEY, N.S.

Question No. 525—**Mr. Muir (Cape Breton North and Victoria):**

1. What are the names of the vessels either owned by, or under charter to the Canadian National Railways which normally operate out of the port of North Sydney but have been using the port of Mulgrave since January 1, 1964?
2. On what dates have each of these vessels used Mulgrave instead of North Sydney and how much tonnage of freight has been handled by each vessel from Mulgrave on each trip since January 1, 1964?
3. Since January 1, how many tons of freight have been handled (total) through the port of Mulgrave which normally would be handled through the port of North Sydney?

Mr. Pickersgill: The management of Canadian National Railways advise as follows:

1, 2 and 3: M.V. *Victoria Marie* (chartered), Feb. 15, 289 tons; Feb. 25, 354 tons; Mar. 5, 242 tons; Mar. 14, 268 tons.

M.V. *Nelson B.* (chartered), Feb. 16, 163 tons; Feb. 26, 192 tons.

M.V. *O.K. Service* (chartered), Feb. 20, 561 tons; Feb. 29, 315 tons; Mar. 8, 498 tons; Mar. 17, 366 tons.

M.V. *Southern Star* (chartered), Feb. 19, 373 tons; Mar. 23, 376 tons.

M.V. *L'Oriole* (chartered), Feb. 24, 189 tons; Mar. 3, 152 tons; Mar. 9, 317 tons; Mar. 18, 259 tons.

S.S. *Bar Haven,* Feb. 20, 213 tons.

M.V. *Nonia,* Feb. 21, 214 tons; Feb. 24, 324 tons; Feb. 29, 316 tons; Mar. 6, 349 tons; Mar. 11, 295 tons.

M.V. *Glencoe* (chartered), Feb. 24, 544 tons; Mar. 4, 628 tons.

S.S. *Burgeo,* Feb. 23, 338 tons; Mar. 25, 339 tons.

S.S. *Cabot Strait,* Feb. 22, 631 tons.

M.V. *Bonavista,* Feb. 26, 359 tons; Mar. 3, 269 tons.

S.S. *Northern Ranger,* Feb. 27, 251 tons.

M.V. *Taverner,* Mar. 5, 167 tons; Mar. 12, 177 tons; Mar. 19, 211 tons.

M.V. *St. Foy* (chartered), Mar. 22, 354 tons.

S.S. *Baccalieu,* Mar. 24, 354 tons.

CONTRACT FOR ESKIMO HOUSES

Question No. 529—**Mr. MacEwan:**

1. What were the names of the tenderers and the amounts of the various tenders for Eskimo houses, being tender No. 20526?
2. To whom will the contract be awarded?

Mr. Laing: 1. See appendix A (tender No. 20526—N6).

2. The low tenderers, i.e.: Muttart Builders Limited, item 1, 1A, 2, 3 and 4; Dalite Corp. Canada Ltd., item 5; Transit Industrial Corp., item 6; Eastern Woodworkers Ltd., items 7 and 8.

APPENDIX "A"

PREFABRICATED HOUSES

TENDER No. 20526 N6

Items 1–4 F.O.B. Waterways
Items 5–8 F.O.B. Montreal

Firms	Item 1	Item 1A	Item 2	Item 3	Item 4	Item 5	Item 6	Item 7	Item 8
Muttart Builders Ltd., Edmonton	*88,150.00*	*29,100.00*	*25,600.00*	*4,950.00*	*91,010.00*	326,250.00	64,995.00	27,125.00	57,750.00
Dalite Corporation (Canada) Ltd.	101,446.00	30,340.00	29,920.00	6,234.00	101,955.00	*271,825.00*	53,661.00	22,892.00	52,770.00
Transit Industrial Corp., Willowdale, Ont.	108,673.00	29,828.00	29,985.00	6,303.00	101,098.00	275,374.00	*52,632.00*	22,416.00	51,504.00
Eastern Woodworkers Ltd., New Glasgow, N.S.	—	—	—	—	—	298,215.00	55,950.00	*21,637.00*	*49,109.00*
Nelson Lumber Co. Ltd.	214,131.40	64,016.00	50,678.50	9,881.70	239,069.00	—	—	—	—
Alberta Trailer Co. (1961) Ltd., Edmonton	131,788.98	40,372.10	29,477.10	6,752.45	151,429.62	471,654.55	90,463.17	33,406.70	78,346.18
Byrnes & Hall Construction Ltd., Edmonton	119,124.19	35,098.80	27,864.70	5,875.31	133,694.26	—	—	—	—
Colonial Homes Ltd., West Hill, Ont.	—	—	—	—	—	332,046.56	55,643.16	27,020.72	61,983.04
The Tower Co. (1961) Ltd., Montreal	—	—	—	—	—	335,510.00	61,710.00	23,705.00	52,925.00
Kent Component Homes, Lancaster, N.B.	—	—	—	—	—	428,910.00	62,895.00	26,190.00	54,274.00
Norbec Construction Incorp., Rimouski, Que.	146,501.00	—	73,440.00	8,221.00	171,456.00	469,220.00	84,693.00	34,620.00	74,151.00
Fekete Construction Co. Ltd., Edmonton	143,491.00	47,060.00	34,385.00	7,200.00	139,650.00	—	—	—	—
Engineered Buildings Ltd., Calgary	102,879.40	32,362.05	26,094.80	6,388.70	112,044.40	381,145.55	74,595.65	28,848.00	64,254.65
Western Eng. Structures Ltd., Burnaby, B.C. & Bennett & White	181,847.00	58,570.00	43,290.00	9,153.00	201,248.00	634,810.00	127,617.00	44,975.00	104,566.00
E. R. McMaster & Sons Ltd.,	—	—	—	—	—	475,320.31	—	—	—
Allied Building Supply, Ottawa	—	—	—	—	—	329,728.30	63,936.30	32,401.15	68,628.05
Laminex Products Ltd., Quebec City	—	—	—	—	—	311,327.49	65,890.47	27,970.89	65,594.07
M. F. Schurman Co. Ltd., Summerside, P.E.I.	—	—	—	—	—	396,575.00	84,120.00	40,320.00	88,000.00
MacNamara Const. Western Ltd., Edmonton	179,654.00	52,130.00	48,725.00	10,768.00	177,840.00	—	—	—	—
Jager Holdings Ltd., Calgary	188,700.20	49,366.00	44,705.00	9,541.00	215,098.00	647,072.00	126,958.50	45,315.50	105,527.50
Beaver Construction Co. Ltd., Vancouver	186,319.00	52,580.00	43,070.00	8,993.00	189,544.00	643,510.00	110,712.00	41,675.00	95,700.00
Yukon Construction Co. Ltd., Edmonton	104,430.00	35,160.00	27,385.00	5,639.00	123,044.00	—	—	—	—
Thermolite Plastics Ltd., Burnaby, B.C.	184,856.23	48,758.30	40,678.00	8,095.61	166,837.28	—	—	—	—

Item	*Qty*	
1	43	One Room Eskimo Houses, Plan 370A
1A	10	One bedroom Northern Min. Houses, Plan 395
2	5	Two bedroom Northern Min. Houses, Plan 397
3	1	Three bedroom Northern Min. House, Plan 396
4	38	One room with Porch Eskimo Houses, Plan 418

Item	*Qty*	
5	145	One room Eskimo Houses, Plan 370A
6	21	One bedroom Northern Min. Houses, Plan 395
7	5	Two bedroom Northern Min. Houses, Plan 397
8	11	Three bedroom Northern Min. Houses, Plan 396

Questions

BROADCASTING STATIONS, GRAND FALLS, NFLD.

Question No. 537—**Mr. Macquarrie:**

1. How many AM broadcasting stations are in operation in Grand Falls, Newfoundland?
2. Who operates these stations?
3. How many T.V. broadcasting stations are in operation in Grand Falls?
4. Who operates these stations?
5. Did the board of broadcast governors recommend the licensing of another AM station for Grand Falls at one of its recent meetings and, if so, on what grounds was its recommendation made?

Mr. Lamontagne: 1. Two, CBT and CKCM.

2. CBT, Canadian Broadcasting Corporation, CKCM, Colonial Broadcasting System Limited.

3. One, CJCN-TV.

4. Newfoundland Broadcasting Co. Limited.

5. In June 1961, the board recommended the licensing of an AM radio station at Grand Falls, giving the following reasons: "In the opinion of the board, the applicant having made substantial commitments to provide local program service, this station would provide satisfactory service in the area, and would extend radio service in central Newfoundland."

At the same time, it recommended another application for denial. The board has not dealt with any other applications for AM radio stations in Grand Falls since that time.

OLDER WORKERS EMPLOYED, NOVA SCOTIA

Question No. 541—**Mr. Muir (Cape Breton North and Victoria):**

Up to the present date, how many workers over the age of 45 have been placed in employment through the offices of the national employment service at (a) Sydney Mines, and (b) North Sydney, as a result of the program by which their salaries are supplemented to a maximum of $75 monthly out of public funds?

Mr. MacEachen: (a) and (b). Figures are available by provinces only. Fifty eight workers were hired under the program in the province of Nova Scotia up to March 31, 1964.

REPAIRS AND REFITS, POINT EDWARD NAVAL BASE

Question No. 550—**Mr. Muir (Cape Breton North and Victoria):**

1. What were the names, classifications and tonnage of ships repaired or refitted at the naval base at Point Edward, Nova Scotia, in each of the years 1961, 1962 and 1963?
2. What was the cost of the repairs or refits to each of the ships repaired or refitted at the naval base at Point Edward in each of the years 1961, 1962 and 1963, and what was the allocation of such cost as to labour, material, administration, etc.?

[Mr. Laing.]

3. After the closing of the naval base at Point Edward, where will the repair and refit work be carried out that was previously done at Point Edward?
4. What is the proposed saving, if any, which will be effected by the closing of the naval base at Point Edward, and how is such saving estimated as to labour costs, material costs, administration, etc., in the future repair or refits of ships formerly repaired or refitted at the said naval base?
5. Since the Minister of National Defence announced the closure of the Point Edward naval base, how many protests have been received and what are the names and addresses of individuals, groups and organizations who have made such protests against this announced closure?

Mr. Cardin: 1 and 2. See attached lists.

3. The work will normally be carried out by commercial shipyards.

4. The net annual saving to the naval appropriation resulting from the close-down of the ship repair facilities at Sydney is estimated at $1,200,000 representing overhead costs and other services that cannot be allocated economically to the ship repair function performed by this naval dockyard due to the low rate of utilization of the refit capacity. The planned retirement of ships which formed the bulk of Point Edward naval base work load would have made the operation of this dockyard even less economical in the years ahead.

Excluding the abovementioned extraordinary overhead costs that are related to the ratio of refit work available compared to the refit capacity of the naval dockyard, and including normal overheads only, the average cost of refitting a frigate, whether by contract with a commercial shipyard or in the Sydney dockyard, runs between $350,000 to $500,000 depending on such variables as the condition of the ship, the extent of defect work to be undertaken, wage rates in the locality and an overhead rate tied into the over-all amount of work in the yard. Further savings beyond the $1,200,000 noted in the preceding paragraph will depend on the reduction indicated above in the number of refits to be undertaken in future rather than on the change of location of refits from dockyard to commercial shipyards.

5. Mayor, town council, Sydney Mines, N.S.; national defence employees association, Point Edward naval base, N.S.; branch 8, Royal Canadian Legion, Sydney Mines, N.S.; branch No. 2, Royal Canadian Legion, P.O. box 41, Reserve Mines, N.S.; town council, New Waterford, N.S.; mayor, town council, North Sydney, N.S.; branch No. 12, Royal Canadian Legion, P.O. box 335, Sydney, N.S.; North Sydney board of trade, North Sydney, N.S.; Cape Breton district command, Royal Canadian Legion, Glace Bay, N.S.; branch

No. 83, Royal Canadian Legion, Florence, N.S.; town council, Glace Bay, N.S.; Westmount community council, district No. 2, Sydney, N.S.; Cape Breton firefighters fraternal association, Scotchtown, N.S.; Catholic family welfare, Sydney Mines, N.S.; district 26, united mines workers of America, Glace Bay, N.S.; East Gate lodge No. 127, RNSAF and AM, Westmount, Sydney, N.S.; Sydney presbytery, United Church of Canada, Sydney, N.S.; dominion command, Royal Canadian Legion, Ottawa, Ont.; board of trade, Sydney, N.S.; town council, Louisbourg, N.S.; branch No. 3, Royal Canadian Legion, Glace Bay, N.S.; welfare officer, town of Glace Bay, N.S.; principal, Xavier junior college, P.O. box 760, Sydney, N.S.; Cape Breton county municipal council and the Cape Breton joint expenditure board, Sydney, N.S.; Sydney board of trade, Sydney, N.S.

POINT EDWARD NAVAL BASE

SHIP REFIT AND REPAIR COSTS 1961-62

Appendix to Question No. 550

Type	Ship Name	Tonnage	Repair Refit	Labour	Material
Destroyer	*Crusader*	1730	Repair	$ 24,706	$ 1,889
	Athabaskan	2200	Repair		
	Haida	2200	Repair	281	15
	Iroquois	2200	Repair		
	Chaudiere	2366	Repair		
	St Croix	2366	Repair	339	—
Frigate	*Buckingham*	1570	Refit	227,435	32,430
	Lanark	1570	Refit	—	24
	Lauzon	1570	Refit	59,108	2,718
	New Waterford	1570	Refit	18,705	670
	Swansea	1570	Refit	224,183	30,783
	Victoriaville	1570	Refit	210,320	34,353
Minesweeper	*Chaleur*	390	Repair	145	—
	Chignecto	390	Repair		
	Fundy	390	Repair	—	—
	Quinte	390	Repair		
Gate Vessel	*Porte St Jean*	429	Repair	182	85
	Porte St Louis	429	Repair	3,503	388
Bird Class	*Loon*	66	Repair		
	Mallard	66	Repair	60	—
Ocean Tug	*Riverton*	462	Repair		
	St John	840	Repair	188	—
Survey Ship	*Sackville*	1085	Repair	3,289	519
Floating Derrick	*YMF 251*	804	Conversion	21,324	8,001
Yard Craft	Misc.	Misc.	Repair	7,362	1,918
				$801,130	$113,793

Figures on overhead costs are not available from existing accounting records which would provide a satisfactory basis of comparison with overhead costs reported by a commercial shipyard.

Appendix to Question No. 550

POINT EDWARD NAVAL BASE

SHIP REFIT AND REPAIR COSTS 1962-63

Type	Ship Name	Tonnage	Repair/Refit	Labour	Material
Destroyer	*Crusader*	1730	Repair	$ 21,123	$ 1,104
Frigate	*Cap de la Madeleine*	1570	Refit	250,241	39,040
	Lanark	1570	Refit	220,832	23,313
	New Waterford	1570	Refit	173,327	21,148
	Outremont	1570	Refit	21,210	—
Gate Vessel	*Porte St Louis*	429	Repair	233	77
Tug	*Colville*	17	Repair	1,110	287
Floating Derrick	*YMF 251*	804	Conversion	18,176	982
	YMF 253	804	Conversion	9,773	5,202
				$716,025	$ 91,143

SHIP REFIT AND REPAIR COSTS 1963-64 (TO END OF JANUARY, 1964)

Destroyer	*Huron*	2200	Repair	$ 7,921	$ 2,381
Frigate	*Lauzon*	1570	Repair	22,226	458
	La Hulloise	1570	Refit	276,797	66,173
	Outremont	1570	Refit	228,505	29,064
	Victoriaville	1570	Refit	116,538	13,186
Auxiliary Vessel	*Eckville*	17	Repair	1,519	327
	HQ 300	NK	Repair	9,726	5,458
	YFP 301	60	Repair	2,854	957
	YMU 109	17	Repair	2,266	288
	YSF 209	150	Repair	442	29
				$668,787	$118,321

Figures on overhead costs are not available from existing accounting records which would provide a satisfactory basis of comparison with overhead costs reported by a commercial shipyard.

WORLD FAIR SENIOR EXECUTIVES

Question No. 561—**Mr. Thompson:**

1. Who are the senior executives of the Canadian corporation for the 1967 world exhibition and what are their respective salaries and expense allowances?
2. Have any persons been transferred from employment with the civil service of Canada to the Canadian corporation for the 1967 world exhibition?
3. If so, what are their names, their previous salaries with the civil service, and their present salaries and expense allowances, if any, with the corporation?
4. How many automobiles are at the present time either owned or rented by the corporation, and what is the make and purchase or rental price of each, and from whom have they been obtained?
5. What contracts have been awarded by the corporation for the construction of buildings and other works and at what prices?
6. Were tenders called in respect of each of these contracts?
7. In each case, was the tender accepted the lowest one that was submitted?
8. If not, what were the amounts of the lowest tenders submitted, and why were they not accepted?

Answer: 1. The senior executives of the Canadian corporation for the 1967 world exhibition are the commissioner general and the deputy commissioner general and their respective salaries and allowances are fixed by the governor in council as follows: commissioner general, salary $22,500 per annum, allowance $7,500 per annum, representation allowance of $10,000 per annum in respect of duties to be performed by Mr. Dupuy outside of Canada as ambassador extraordinary and plenipotentiary.

Deputy commissioner general, salary $35,000.

2. None has been transferred from employment with the civil service of Canada to the Canadian corporation for the 1967 world exhibition. Several have been seconded for duty with the corporation, having been granted leave without pay from their respective departments. These employees continue to participate in the public service superannuation plan, their contributions being based on salary before joining the corporation.

3. The following persons have been granted leave without pay from employment with the civil service of Canada to assume duties on behalf of the Canadian corporation for the 1967 world exhibition; (they are not entitled to expense allowances).

Name	Previous salary	Present salary
Asselin, J.	$ 8,000	$12,000
Baker, J. H.	10,500	15,000

Name	Previous salary	Present salary
Bertrand, G.	9,120	15,500
Bourke, B.	8,500	11,000
Chaballe, F. X.	9,300	10,000
Drew-Brook, A. (Miss)	4,800	5,500
Kniewasser, A. G.	14,100	32,500
Lamarre, R. A.	7,470	9,500
Verner, P. E.	5,400	7,000
Yeats, R. M.	10,300	12,000

4. The corporation rents 12 Fords at a monthly rate of $130, 10 Pontiacs, at $125, one Oldsmobile 88 at $165 and two Cadillacs at $275 from Stanley Fleet Leasing Ltd., the lowest of four bidders. Officials to whom these automobiles are assigned pay to the corporation $30 per month to cover personal use of the automobiles for which they are responsible.

5. Three contracts have been awarded by the corporation for the construction of buildings and other works, namely to Dominion Bridge Co. Ltd. for alterations to the Jacques Cartier bridge ramps for an estimated price of $212,737; to Dufresne Engineering Ltd. for the construction of the substructure of a bridge to link MacKay pier to Ile Verte for a price of $2,362,976.40; to Dominion Bridge Co. Ltd. for the construction of the superstructure of the said bridge for a price of $7,897,500.

6. Yes, with the exception of the contract for the alterations to the ramps of the Jacques Cartier bridge in which case for reasons of urgency the board of directors and the treasury board authorized the awarding of the contract to Dominion Bridge, the original builder of the bridge.

7. Yes, except in the case of the contract for the construction of the substructure of the bridge linking MacKay pier to Ile Verte.

8. The amounts of two lowest tenders submitted for the construction of the substructure of the bridge linking MacKay pier to Ile Verte were $1,443,955 and $1,898,720 respectively. These bids were unacceptable from an engineering standpoint and it was admitted by the tenderers that they had failed to properly assess in their bid the velocity of the river current and that their method of construction entailed a high risk. The contract in this case was awarded to the lowest valid tenderer.

NAPPAN EXPERIMENTAL FARM, N.S.—TENDERS FOR MOTOR VEHICLE SALES AND SERVICE

Question No. 573—**Mr. Coates:**

1. What firms in Cumberland are invited to tender for the sale of motor vehicles to the Nappan experimental farm and what dealerships do they represent?

2. What firms in Cumberland are invited to tender on the overhaul and repair of motor vehicles owned by the Nappan experimental farm?

Questions

3. From what firms in Cumberland does the Nappan experimental farm purchase oil and gasoline?

4. Are any firms in Cumberland, excluded from the opportunity to tender on the replacement of motor vehicles, repair and overhaul of motor vehicles, and on the sales of oil and gasoline, for Nappan experimental farm, and, if so, what firms?

Mr. Hays: 1. (1) Cumberland Equipment Limited, Amherst, N.S., dealers in G.M.C. trucks, Pontiac and Buick cars. (2) Tantramar Motors Limited, Amherst, N.S., dealers in Chevrolet trucks and Chevrolet and Oldsmobile cars. (3) D. A. Casey Limited, Amherst, N.S., dealers in Ford trucks and cars. (4) Rivers and Dickenson Limited, Amherst, N.S., dealers in International trucks. (5) George M. Harrison, Amherst, N.S., dealer in Fargo trucks and Plymouth and Chrysler cars. (6) Maccan Garage, Maccan, N.S., dealers in Studebaker trucks and cars. (7) Carter's Garage, Springhill, N.S., dealers in Mercury and Meteor trucks and cars. (8) Sargent's Garage, Parrsboro, N.S., dealers in Chevrolet trucks and Chevrolet and Oldsmobile cars. (9) Letcher's Garage, Springhill, N.S., dealers in Chevrolet cars and trucks and Oldsmobile cars.

2. Most repair work is done by staff mechanics. Where tenders are necessary, the above-noted Amherst and Maccan firms and, in addition, Burke Brothers of 18 Crescent avenue, Amherst, Nova Scotia, are normally invited to tender on motor repairs.

3. For many years the experimental farm at Nappan has purchased its gasoline and oil requirements from Imperial Oil Limited under an agreement whereby the company installed and maintained a pump. During 1963 a gasoline pump was purchased and tenders for the supply of gasoline and oil will be called from all oil companies represented in the Amherst area. These include Imperial Oil Limited, Irving Oil Limited, Texaco Oil Limited, White Rose Oil Limited, Fina Oil Limited, British-American Oil Limited.

4. No.

*WORLD FAIR—SALARIES OF DIRECTORS AND EXECUTIVE

Question No. 577—**Mr. Loney:**

1. What salaries are paid to the director and the associate director of the 1967 world exhibition?

2. Are there other amenities and, if so, what are they?

3. Has an amount for entertainment expenses been set for each of the officials and, if so, what amount is allowed to each of them?

4. Who are the members of the executive?

5. What salaries are paid to the members of the executive?

6. How many advisory boards or committees have been set up to carry out the objects of the fair?

Questions

7. Who is in charge of awards of building and other work contracts?
8. Are such contracts given to the lowest bidder and, if not, under what circumstances are departures from this principle being made?
9. How many contracts have been let to date and in what amounts?

Mr. Sharp: 1. The salaries and allowances of the commissioner general and the deputy commissioner general of the exhibition are fixed by the governor in council and are as follows:

Commissioner general, salary $22,500 per annum, allowance $7,500 per annum, representation allowance of $10,000 per annum in respect of duties to be performed by Mr. Dupuy outside of Canada as ambassador extraordinary and plenipotentiary. Deputy commissioner general, salary $35,000.

2. The other amenities consist on the other hand of pension benefits provided by the corporation for the officers and employees thereof pursuant to Section 8 of the incorporating act and on the other hand, of group life and accident insurance coverage.

3. No specific amount for entertainment expenses has been set for any of the officials of the Canadian corporation for the 1967 world exhibition. Accounts are rendered in the same manner and under the same rules as apply to all officials of the corporation.

4. The members of the executive committee are: the commissioner general, the deputy commissioner general, Messrs. Guy Roberge, Andre Rousseau and Lucien Saulnier.

5. The salaries of the members of the executive committee have been fixed at $6,000 per year by decision of the board of directors of the corporation, subject to the approval of the governor in council and the lieutenant governor in council as stipulated in subsection 3 of section 5 of the incorporating act.

6. Ten advisory committees have been set up to carry out the objects of the exhibition as listed: customs committee; advisory committee on architecture; advisory committee on fine arts; advisory committee on science and medicine; advisory committee on information and promotion; advisory committee on insurance; service club advisory committee for children; women's advisory committee; performing arts advisory committee; advisory committee on taxation.

7. Section 9 (2) of the incorporating act stipulates that the corporation shall not enter into any contract, agreement or arrangement involving any expenditure in excess of $100,000 or acquire any property, the cost of acquisition of which exceed the sum of $25,000, except with the approval of the governor in council and subject to such terms and conditions as he may prescribe. Contracts which are below these limits are awarded by the corporation.

[Mr. Loney.]

8. All contracts are given to the lowest bidder except when the tender does not conform to the specifications or is otherwise unacceptable.

9. Three contracts have been awarded by the corporation for the construction of buildings and other works, namely to Dominion Bridge Co. Ltd. for alterations to the Jacques Cartier bridge ramps for an estimated price of $212,737; Dufresne Engineering Ltd. for the construction of the sub-structure of a bridge to link MacKay pier to Ile Verte for a price of $2,362,976.40; to Dominion Bridge Co. Ltd. for the construction of the super-structure of the said bridge for a price of $7,897,500.

SALARIES AND CONTRACTS, WORLD FAIR CORPORATION

Question No. 579—**Mr. Belanger:**

1. Is the 1967 world exhibition corporation a federal government corporation?
2. What salary does the president of this corporation receive, and how much is he allowed for travel, entertainment, and the use of a car?
3. How much of this money is supplied by the federal government and how much by other governments?
4. Are the president's expenses unanimously approved by the corporation and, if not, who is the member of the corporation who approves them?
5. What salaries are paid to the other members of the board of this corporation?
6. Do they receive a car allowance and, if so, how much do they receive?
7. Are they allowed unlimited expense accounts for their trips?
8. Who reviews, and decides on final acceptance or rejection of bridge and building construction contracts?
9. Are tenders called for each contract, and are awards made to the lowest bidder, providing he has the required experience and financial qualifications?
10. Does the act provide for a detailed audit, by government auditors, of all the corporation's expenses?
11. Does the federal government have any way of ensuring that no patronage is engaged in by the two other governments who are members of this corporation?

[*Translation*]

Mr. Sharp: 1. Section 7 of the organic act passed by the Canadian parliament states the corporation is, for all the purposes of the act, an agent of Her Majesty.

2. The commissioner general of the 1967 Canadian world exhibition corporation earns the following: (1) Salary, $22,500 per annum. (2) Allowance, $7,500 per annum. (3) Representation allowance: $10,000 per annum for the functions Mr. Dupuy has to perform in foreign countries as ambassador extraordinary and plenipotentiary.

No specific amount has been set for travel or entertainment. A car is at the disposal of the commissioner general; it is also used for the trips of other officials of the corporation, when need be. The commissioner pays the

corporation $30 per month to use the car for personal purposes and he assumes the responsibility thereof.

3. The corporation funds are paid to him by the government of Canada, the government of the province of Quebec and the city of Montreal, in a proportion of 50 per cent, 37½ per cent and 12½ per cent respectively.

4. Directions with regard to travel and travelling costs, based on general instructions applying to government departments and crown corporations, were approved by the board of directors; the president's expenses are indicated in monthly financial statements which are studied and approved by the board.

5. The other members of the board of directors, with the exception of the assistant general commissioner, are not paid for their services, as stipulated in the second paragraph of clause 5 of the incorporating act. The assistant general commissioner receives a salary of $35,000 per year.

6. No motor car allowance is provided.

7. No. The directors are entitled to first class return tickets by air from and to their place of residence, plus $50 a day for each day of absence from their place of residence. That allowance is limited to three days for directors from Vancouver; two days for directors from Halifax; two days for the directors from Toronto, and one day for directors from Quebec.

8. Tenders are revised and examined by the corporation jointly with personnel from Defence Construction (1951) Limited and to each contract is added a resolution of the board of directors and the approval of the governor in council when the contract exceeds $100,000.

9. Tenders are called or prices asked for whenever possible, and contracts are awarded to the lowest acceptable bidder as long as the tender complies with the specifications and is acceptable in all other respects, and provided the bidder is able to fulfil the financial terms and has the required experience.

10. Clause 17 of the incorporating act says that the financial operations of the corporation are checked by the auditor general of Canada and the auditor of the province of Quebec.

11. The by-laws of the corporation give the board of directors all powers allotted to the corporation under the incorporating act, except for powers especially conferred to the general commissioner or to the assistant general commissioner by the act or the regulations. The corporation may:

(a) Acquire by means of purchase, lease or otherwise any property for the construction, maintenance and operation of the exhibition and own, hold, sell or manage such property or deal therewith or therein as the corporation may determine;

(b) make contract with any person, in or outside Canada, respecting the construction of buildings or other works, the showing of exhibits, the provision of services or for the attainment of any of the purposes or the exercise of any of the powers of the corporation;

(c) make arrangements or agreements with any person for the use of any rights, privileges or concessions that the corporation may consider useful for the carrying out of its purposes;

(d) expend any moneys received by the corporation by way of grant pursuant to section 11 or by way of grant from the province of Quebec or from the city of Montreal or borrowed by the corporation pursuant to section 12, or received by the corporation through the conduct of its operations or otherwise;

(e) do all other such things as the corporation may deem conducive to the attainment of any of the purposes or the exercise of any of the powers to the corporation.

Section 8 regulations of the corporation limits in the following way the powers of the board:

Except with the approval of the governor in council and subject to such terms and conditions as he may prescribe, the corporation shall not (a) enter into any contract, agreement or arrangement involving any expenditure in excess of $100,000; (b) acquire any property, the cost of acquisition of which exceed the sum of $25,000.

It is considered the rules quoted above guarantee good administrative methods.

[*Text*]

*CAR RENTALS, WORLD FAIR EXECUTIVE

Question No. 599—**Mr. Loney:**

1. Have cars been rented for the world fair executive?

2. Was the rental contract let by public tender and, if so (a) what are the names and addresses of the firms which submitted tenders (b) what was the amount of each tender?

3. What is the name and price quotation of the successful bidder?

Mr. Sharp: 1. Yes.

2. The following firms were invited to quote and the prices submitted were: Stanley Fleet Leasing Ltd., 2085 Metcalfe, Montreal:

	6 Cyl.	8 Cyl.
1964 Cadillac		$275.00
1964 Chevrolet Impala	$127.00	$130.00
1964 Pontiac Laurentian	$122.00	$125.00
1964 Ford Galaxie	$122.00	$125.00

Questions

Hertz Rent A Car, 1010 St. Catherine west, Montreal:

1964 Cadillac		$280.00
1964 Chevrolet Impala	$133.00	$136.00
1964 Pontiac Laurentian	$131.00	$134.00
1964 Ford Galaxie	$133.00	$136.00

Avis Rent A Car System of Canada, 1225 Metcalfe, Montreal:

1964 Cadillac		$280.00
1964 Chevrolet Impala	$159.00	$161.00
1964 Pontiac Laurentian	$149.50	$151.50
1964 Ford Galaxie	Do Not Lease	

Metrocan Leasing Ltd., 1980 Sherbrooke St. W., Montreal:

1964 Chevrolet Impala	$140.85	$144.45
1964 Ford Galaxie 500	$136.73	$140.40
1964 Plymouth Fury	$136.18	$142.29

3. Being the lowest, the successful bidder was Stanley Fleet Leasing Ltd. and for the price quoted see answer 2 above.

ANCIENNE LORETTE AIRPORT CONCESSIONS

Question No. 629—**Mr. Perron:**

1. Are the restaurant, bar, newsstand at the Ancienne Lorette airport run by the Department of Transport or by concessionaires?

2. If they are run by concessionaires (a) who are they (b) what are the concession rentals (c) how long have these concessions been operating (d) when will each of the present leases end?

[*Translation*]

Mr. Pickersgill: 1. The restaurant, bar and newsstand are operated as a combined concession by a concessionaire.

2. The concessionaire is Mr. Rene Collard. He pays the department 9.5 per cent with a minimum of $9,000 per annum for rental from the sales from the restaurant and the news stand, and in addition he pays 15 per cent of liquor sales. The concession was awarded to Mr. Collard for a five year period effective October 1, 1962. The concession was awarded to him on the basis of his bid received in a tender call for the concession.

[*Text*]

CONSTRUCTION WORK, OBEDJIWAN RESERVE, QUE.

Question No. 632—**Mr. Laprise:**

1. Since 1960, how many (a) public buildings, and (b) dwellings have been built in the Obedjiwan Indian reservation, in Chapleau county?

2. What was the cost (a) of public buildings (b) dwellings?

Mr. Badanai: 1. (a) Two; (b) Thirteen.

2. (a) $188,101; (b) $58,500.

WORKING CONDITIONS, WEATHER STATION, VANCOUVER AIRPORT

Question No. 654—**Mr. Prittie:**

1. How many persons are employed at the Department of Transport weather station at the Vancouver international airport?

[Mr. Sharp.]

2. How many hours per week are the employees required to work?

3. Are some employees required to report for work at twelve o'clock midnight after having completed an eight hour shift at 4 p.m. of the same day and, if so, does this practice contravene in any way any federal hours of work legislation?

Mr. Pickersgill: 1. Seventy eight.

2. Employees work standard working hours of 40 hours per week for operating employees and 37½ hours per week for non-operating employees.

3. Some of the staff at the Vancouver meteorological office work a shift schedule which includes, once each 13 days, a change-over from day shift ending at 4 p.m. to night shift commencing at midnight. The problem of rotating shift arrangements does result in longer than normal periods on duty; however, such employees are compensated by being given longer periods of time off between shift cycles and these arrangements are normal for staff employed on rotational shift duties. This practice does not contravene any federal legislation dealing with hours of work.

FOOD CONCESSION, TORONTO AIRPORT

Question No. 656—**Mr. Scott:**

1. What is the name of the organization which handles the food servicing at the Toronto international airport?

2. How long has this organization been in charge of such undertakings?

3. How many people are employed at the present time?

4. What has been the turnover in labour during the period of time in which the said organization has conducted the food servicing at the Toronto international airport?

5. What are the wages being paid to each classification of persons employed by the said organization?

Mr. Pickersgill: 1. Cara Operations Limited as a result of a public tender call.

2. It is understood that a predecessor company has been in the transportation restaurant business for well over 20 years.

3, 4 and 5. The department merely rents space to the company which reports that it maintains a normal staff complement of 180 employees; that of the staff transferred from the old terminal to the new building there has been practically no turnover in this group, while among new employees hired for increased staff requirements, the company has had the turnover that is normally experienced under similar conditions elsewhere. The company feels that the employee turnover has become stabilized at near normal proportions, at present being about 7 per cent; and that its wages are equal to and in most categories above the average in the Toronto area.

BOMARC BASE, NORTH BAY—SERVICE PERSONNEL EMPLOYED IN BEVERAGE ROOMS

Question No. 657—**Mr. Scott:**

1. Does the government have information as to the number of service personnel from the Bomarc missile range base near North Bay who are employed in civilian capacities in the beverage rooms of the hotels in North Bay?
2. How many such persons are so employed and how long have they been so employed?
3. Are such persons also in receipt of income from the government of Canada?
4. What are the regulations and instructions under which such people, if any, are permitted to accept outside employment?

Mr. Cardin: 1. No, although it is understood that there are service personnel employed in the beverage rooms of a licensed inn which is situated in the township of Widdifield approximately six miles beyond the city limits of North Bay.

2. Four, one for 18 months, two for six months, and one for two months. The employment is on a casual as required basis and on an average each of the individuals concerned works four evenings per month.

3. Yes.

4. Activities of service personnel in off duty hours is a matter of choice for the individuals concerned provided it does not reflect discredit upon the service or prove detrimental to the interest of the service.

GRANT TO HEALTH LEAGUE

Question No. 658—**Mr. Scott:**

1. Has the government received a request from the directors of the health league of Canada for an increased grant to this organization from the dominion government?
2. When was such request made?
3. What has been the response, if any, of the government to the said request?

Miss LaMarsh: 1. Yes.

2. June, 1963.

3. The main estimates of the Department of National Health and Welfare for 1964-65 include no provision for an increase in this grant.

PRINCE EDWARD ISLAND NATIONAL PARK

Question No. 668—**Mr. Macquarrie:**

1. Has the government received from the province of Prince Edward Island an offer of land, known as the Horgan property, adjacent to the Stanhope section of the Prince Edward Island national park and, if so, has the government replied to this offer?
2. What is the nature of the reply?
3. What are the government's plans for extending the boundaries of the park?
4. What is the total number of visitors to the Prince Edward Island park for the years 1957, 1958, 1959, 1960, 1961, 1962 and 1963?

Mr. Laing: 1. Yes, for development as a golf course; yes.

2. The offer was declined because other capital projects in national parks must take priority over the establishment of a second golf course in this park for the foreseeable future.

3. Certain key extensions to facilitate park development are under discussion with the provincial government.

4.

Fiscal Year	Number
1957-58	200,748
1958-59	206,245
1959-60	224,781
1960-61	412,463
1961-62	775,583
1962-63	1,009,021
1963-64	1,019,104

COST OF FILL, WORLD FAIR SITE

Question No. 676—**Mr. Langlois:**

1. What will be the cost of filling the site for the 1967 world fair?
2. How many tenders for the filling contract were submitted?
3. What was the amount of each bid?
4. To whom was the contract awarded?
5. What company or companies are handling the publicity for the 1967 world fair and in respect of each (a) what is the location of the head office (b) is the ownership Canadian (c) how many of the companies are non-Canadian?

Answer: 1. The preparation of the site of the exhibition is the financial responsibility of the city of Montreal. This includes filling operations that are being performed on Ile Verte, Ile Ronde, and Ile Notre Dame. In addition, improvements are being made to the Mackay pier in the Montreal harbour by the Canadian corporation for the 1967 world exhibition acting as agent for the national harbours board. Tenders were called for this work as explained in answer to question No. 2.

2. As agent for the national harbours board, the Canadian corporation for the 1967 world exhibition called for tenders for the improvement of Mackay pier. For stage 1 four tenders were received and for stage 2 eight tenders were received.

3. For stage 1 bids were as follows: Beaudry Limitee, $1,305,000.00; Chas. Duranceau Ltee., $1,484,600.00; Mt. Dual Mixed Concrete Limited, $1,756,400.00; Miron Co. Ltd., $1,895,-400.00.

For stage 2 bids were as follows: Royal Mount Const. Ltd., $1,217,500.00; Compagnie Miron Ltee., $1,682,750.00; Beauval Inc. Desourdy Const. Ltd., $1,704,500.00; Pine Beach Sand Limited, $1,783,125.00; Beaudry Ltee., $1,865,000.00; Montreal Dual Mixed Concrete, $1,951,250.00; Charles Duranceau Ltee., $1,-959,250.00; A. Billet Ltee., $1,971,250.00.

4. Contract for stage 1 has been awarded to Beaudry Ltee. Montreal, Quebec, being the lowest tender, and contract for stage 2 has not been awarded yet.

Questions

5. (a) the following companies are handling the publicity for the Canadian corporation for the 1967 world exhibition:

Companies	Head Office
Cockfield Brown Company Ltd.	Montreal
Publicite Services Ltd.	Montreal
Agence Canadienne de Publicity	Montreal
McKim Advertising Ltd.	Toronto
James Lovick Company Ltd.	Vancouver
McConnel, Eastman Company Ltd.	London, Ontario
Publicitex	Montreal
Des Roches, Inkel, Poirier Assc. Inc.	Montreal
Monty Berger Company Inc.	Montreal
Public Industrial Relations Ltd.	Toronto
Mathers Public Relations Ltd. (For United Kingdom and the Republic of Ireland)	London, England

(b) and (c)

The firms having their head office in Canada are Canadian.

JASPER NATIONAL PARK

Question No. 680—**Mr. Horner (Jasper-Edson):**

1. Has the Department of Northern Affairs and National Resources evolved a long term plan for the Jasper national park and, if so, when will it be available?

2. What is the government's intention in so far as the development and expenditure for Jasper national park over the next two years?

3. Will Jasper secure the same treatment in development and expansion as Banff national park?

4. When is it expected that the east-west highway through the Jasper park will be completed?

Mr. Laing: 1. Long term planning for all the national parks is a continuing process. In Jasper national park, priority is being given to development of a comprehensive plan for the Maligne lake area which is one of the most outstanding areas in the national park system. This plan is expected to be completed next fall.

2. Major developments planned for the next two years include continuation of work on the Jasper-Edmonton highway, the Banff-Jasper highway and the Medicine-Maligne lake road, together with development work on the Maligne lake visitor area and the Whistlers camp ground. Planned capital expenditures in Jasper in 1964-65 including the trunk highway program are expected to be of the order of $2,000,000. Firm plans have not, of course, been completed for 1965-66.

[Mr. Langlois.]

3. Yes, since the objective is to serve the best interests of the nation by developing each park according to its potentialities as a national park, and thus to build up a first class system of national parks.

4. Completion of the reconstruction of the section of the highway east of Jasper is scheduled for 1967. Scheduling of the section west of Jasper will depend upon the reconstruction of the connecting provincial highway.

TRANS-CANADA HIGHWAY STANDARDS

Question No. 682—**Mr. Flemming (Victoria-Carleton):**

1. Does the trans-Canada highway agreement with the provinces contain a clause allowing a reduction in width and/or visibility from the usual standard if deemed advisable through thickly-populated areas in order to avoid serious dislocation and also to make possible the construction of the highway by the most desirable route?

2. If so, is it necessary that provincial governments request such a variation in the standard?

Mr. Deschatelets: 1. The general specifications covering the construction of the trans-Canada highway, as covered by schedule "B" of the trans-Canada highway agreement, provides as follows: "The minimum width of the right of way shall be 100 feet. Where the highway runs through densely populated areas thus involving heavy expenditures, a minimum width of 66 feet will be acceptable."

The specifications also provide for a minimum horizontal sight distance and a minimum vertical sight distance of 600 feet.

2. No, unless the variation requested results in a width less than 66 feet or in a sight distance less than 600 feet.

*SALES TAX REDUCTIONS, REBATES ETC.

Question No. 684—**Mr. Prittie:**

Are any reductions, discounts, allowances, rebates, etc., being given to the sales tax provided for in section 30 of the Excise Tax Act and, if so (a) by what authority are such reductions, discounts, allowances, rebates, etc., granted (b) to whom have such reductions, discounts, allowances, rebates, etc., been granted?

Mr. Sharp (for Mr. McIlraith): No. (a) However, since the inception of the act in 1924 under what are now sections 31, 37 and 38, the minister has been empowered to determine the value for tax and make regulations to remove discrimination arising between manufacturers selling similar taxable products to purchasers at different levels in the marketing process. (b) Such adjustments or determination of taxable value are granted to all manufacturers in such circumstances.

ADVERTISING RESPECTING 1963 INCOME TAX RETURNS

Question No. 686—**Mr. Coates:**

Did the Department of National Revenue, taxation division, request public service radio announcements from radio stations across Canada related to the filing of 1963 income tax returns, while at the same time placing paid advertisements with newspapers in Canada with the same objective in mind?

Mr. McIlraith: Yes, the taxation division did request radio stations, as a public service, to utilize prepared announcements relating to the filing of 1963 income tax returns.

No, newspaper advertising was not used for this purpose but to publicize a particular aspect not suitable to radio communication; a single display advertisement was placed in the four rotogravures: *Canadian Weekly/La Presse,* issue of March 21 and *Weekend/Perspectives,* issue of March 28.

PRAIRIE FARM REHABILITATION COMMITTEE

Question No. 691—**Mr. Dinsdale:**

1. When did the prairie farm rehabilitation committee meet last?
2. Is it the intention of the Department of Agriculture to hold further meetings with this important group?
3. What is the present membership of the group?

Questions

Mr. Hays: 1. December 7, 1962.

2. At the present time there are no definite plans for the holding of a meeting during 1964.

3. Mr. Norman Roebuck, 63 Haultain, Yorkton, Saskatchewan; Mr. Roy Clark, 117, 20th Street, Brandon, Manitoba; Mr. Fred Croy, Stonewall, Manitoba; Mr. Harry Shearer, Elm Creek, Manitoba; Mr. James Cameron, Youngstown, Alberta; Mr. Arnold F. Christie, Grande Prairie, Alberta; Mr. Deane Holroyd (deceased), 1737, 15th Avenue, South Lethbridge, Alberta; Mr. Boyd Anderson, Fir Mountain, Saskatchewan; Mr. W. H. Hollier, 1618, 100th Street, North Battleford, Saskatchewan; Mr. Ed. Wright, Eastend, Saskatchewan; Mr. H. J. Collison, Star City, Saskatchewan.

FAR NORTH TEACHERS' SALARY SCALE

Question No. 695—**Mr. Gauthier:**

1. What will be the 1964 salary scale for grade 1 to 12 teachers in the far north?
2. What additional compensation will they receive in 1964 for working in these isolated areas?

Mr. Laing: 1. The salary scale, which is divided into seven categories and applicable to all teachers on the basis of experience and certificate held, will be as follows effective September 1, 1964.

Categories Years of Experience	B	1	2	3	4	5	6
0	3,600	4,200	4,560	5,040	6,120	6,600	7,080
1	3,840	4,440	4,830	5,310	6,420	6,900	7,380
2	4,080	4,680	5,100	5,580	6,720	7,200	7,680
3	4,320	4,920	5,370	5,850	7,020	7,500	7,980
4	4,560	5,160	5,640	6,120	7,320	7,800	8,280
5	4,800	5,400	5,910	6,390	7,620	8,100	8,580
6	5,040	5,640	6,180	6,660	7,920	8,400	8,880
7	—	5,880	6,450	6,930	8,220	8,700	9,180
8	—	6,120	6,720	7,200	8,520	9,000	9,480
9	—	6,360	6,990	7,470	8,820	9,300	9,780
10	—	—	—	7,740	9,120	9,600	10,080
11	—	—	—	—	9,420	9,900	10,380
12	—	—	—	—	9,720	10,200	10,680
13	—	—	—	—	10,020	10,500	10,980
14	—	—	—	—	—	10,800	11,280

2. Isolation allowances ranging from $684 to $2,100 per annum. The amount of isolation allowance paid will depend upon the individual's marital status and upon the location to which he or she is posted.

AIR CONDITIONING IN CENTRE BLOCK, PARLIAMENT BUILDING

Question No. 712—**Mr. McBain:**

Is it the intention of the Department of Public Works to instal air conditioning in the centre block of the parliament buildings and, if so, when will installation commence and what is the date of expected completion?

Mr. Deschatelets: At the present time a preliminary engineering study is being undertaken to ascertain the most satisfactory means of providing air conditioning in the centre block. Until this study has been completed and the engineering principles established it is not possible to say when the work can be commenced and completed.

Questions

ADVERTISING REVENUE, STATION CJBC, TORONTO

Question No. 713—**Mr. Cowan:**

What was the division of the advertising revenue of radio station CJBC, Toronto, in the month of March, 1964, between advertising in the French language and advertising in the English language?

Mr. Lamontagne: I am advised by the Canadian Broadcasting Corporation that all advertising revenue of station CJBC for the month of March 1964 was from advertising in the English language.

TAXES ON BOATS

Question No. 723—**Mr. Howard:**

What specific taxes are levied against and applicable to boats which are built for or materials which go into boats which are built for (a) purposes of fishing, and (b) purposes other than fishing?

Mr. McIlraith: Under the Excise Tax Act the consumption or sales tax of 11 per cent applies on the sale price of boats or materials which go into boats, that are produced or manufactured in Canada, or in the case of imported boats or materials, on the duty paid value thereof.

Schedule III of the act provides for exemption from sales tax of (a) boats bona fide purchased by fishermen for use in the fisheries, and articles and materials to be used exclusively in the manufacture, equipment or repair of such boats: (b) ships licensed to engage in the Canadian coasting trade; (c) materials for use in the equipment and repair of ships to be used exclusively for commercial purposes.

SUGAR REFINING COMPANIES

Question No. 730—**Mr. Mather:**

1. How many sugar refining companies are there in Canada?
2. What was the total capitalization of these companies in 1961, 1962 and 1963?

Answer: 1. At the present time there are five separate enterprises refining sugar in Canada encompassing a total of seven companies. Of the five separate enterprises, two are public corporations, and the remainder are operating under private charters. One of these private companies is owned by the province of Quebec.

I understand a new sugar refining enterprise is planning to begin operations later this year.

2. Financial statements of public companies are available from public records but those of private companies are not made public.

Because of the limited number of private companies reporting, the dominion bureau of statistics under the secrecy clause of the Statistics Act is obliged to withhold information on the financial operations of the sugar industry as a whole.

[Mr. Deschatelets.]

COMPLETION OF BREAKWATER, CAPE JOHN, N.S.

Question No. 739—**Mr. MacEwan:**

Does the completion of the breakwater not quite completed last year at Cape John, Nova Scotia, include the raising of a part of the breakwater which has settled?

Mr. Deschatelets: Yes, it includes raising of the outer 100 feet of the breakwater.

CANADIAN PARTICIPATION IN NEW YORK WORLD FAIR

Question No. 749—**Mr. Latulippe:**

1. Is Canada participating in the New York world fair and, if so, in what manner?
2. What Canadian companies have informed the government that they wish to exhibit at this fair?
3. How much has the government spent, or how much does it intend to spend on construction, displays, publicity, personnel expenses, etc. in connection with this fair?
4. If no money has been spent or is to be spent, what is the reason for the lack of government participation?
5. Has the government received an official invitation from Mr. Robert Moses, who is in charge of the fair and, if so, has any response yet been made?
6. What are the names of Canadian officials at this fair, and who is responsible to the government for them?

Answer: 1. No.

2. None.

3. Nil.

4. Canada is a signatory to the 1928 convention of the international bureau of expositions. The bureau does not recognize the New York world fair and Canada is therefore precluded from participating.

5. The government received an official invitation through the normal diplomatic channels and on behalf of the principals of the fair. The government's response was made through these same channels.

6. N/A.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WINTER OLYMPICS—ATTENDANCE BY CANADIAN OFFICIALS

Question No. 210—**Mr. Horner (Acadia):**

1. What members of the government and other officials went to Innsbruck, Austria, since January 1964, in connection with the winter Olympic games, there?
2. What was the means of transportation?
3. What was the amount of the expenditures paid by or charged to the government of Canada for each of the said persons?
4. If a government aircraft was used, what is the estimated cost of operating such aircraft, excluding depreciation?

Return tabled.

WORLD FAIR CORPORATION EMPLOYEES

Question No. 424—**Mr. Latulippe:**

1. What is the number of the employees of the Canadian World Exhibition Corporation?
2. What are the names, duties, salaries, qualifications and date of employment of each of these employees?

Return tabled.

PURCHASES OF FLAGS

Question No. 447—**Mr. Howard:**

1. Since January 1, 1958 has the government or any agency or department thereof purchased any flags and, if so, were any of the said flags imported from other countries?
2. If any such flags were so imported what was, in each year, by designation of the flags, the number and value of each such designated flag so imported shown by the name of the country from which they were so imported?

Return tabled.

BUSINESS OF THE HOUSE

SUSPENSION OF PRIVATE MEMBERS BUSINESS

Mr. Speaker: I should like to make a short statement at this point. It is now five o'clock and so far as the Chair knows or its advisers, this is the first time it has happened that we are still on starred questions. The rules and standing orders are quite definite, it seems to us, and without unanimous consent of the house we must proceed to private members business at this time. If the house would grant me one minute, I should like to put on the record my reason for reaching this conclusion.

Our procedures at five o'clock are governed by a standing order which cannot be varied except by unanimous consent. Section (3) of standing order 15 provides that private members notices of motion must be taken on Mondays at five o'clock. On the other hand, section (4) of the same standing order provides that when a debate on a supply motion is in progress at five o'clock, the order for private members business would be suspended. The principal purpose of standing order 56 in my opinion is that it limits to two days a supply motion, while at the same time, ensuring, if possible, that no other proceedings shall intercept or impose themselves on the proceeding of a supply motion. However, it must be considered that the general ruling governing the proceeding at five o'clock is section (3) of standing order 15, and that section (4) of the standing order provides for a specific exception thereto which, in my opinion, must be so interpreted. Therefore, I have come to the conclusion that unless unanimous consent is granted, the house must proceed with private members business at this time.

Mr. Knowles: Consent.

Mr. Speaker: Does the house give unanimous consent to proceeding with the ordinary business?

Some hon. Members: Agreed.

PENSIONS

CANADA PLAN—SUBMISSION OF NEW LEGISLATION TO JOINT COMMITTEE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Arising out of the statement the Prime Minister made this afternoon, I should like to ask him whether or not, in view of the changed nature of the pension plan, the new pension plan to which he referred today will, in the ordinary course, be submitted to a joint committee of both houses?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, that is the intention of the government, to submit the legislation to a joint committee of both houses.

Hon. J. W. Monteith (Perth): May I ask a supplementary question? I wonder if I might ask the Prime Minister if he can give us any indication as to when a new resolution and bill will be available?

Mr. Pearson: Mr. Speaker, perhaps my hon. friend will realize that we now have the consent of the provinces, including Quebec, to the constitutional amendment which will make it possible to include provision in the act for survivor's benefits. We are proceeding to secure that constitutional amendment with the least possible delay, and I hope when the legislation is submitted it may be amended to include this important provision.

Hon. Paul Martineau (Pontiac-Temiscamingue): May I ask a supplementary question? Is it still the intention of the government to have the plan effective on January 1, 1965?

Mr. Pearson: That will depend; my own view is that it will not be possible to put this plan in effect on the original date, which is the date mentioned by my hon. friend, but it will be in effect, it is hoped, some time in the following year.

Mr. T. C. Douglas (Burnaby-Coquitlam): The Prime Minister tabled the letter to the provincial premiers, and can he indicate if he has had replies from all of them signifying approval?

Mr. Pearson: Not all of them, but some of them, and the replies received have been in accordance with the changes suggested.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister. Could he tell the house why the Ottawa *Citizen,* on Saturday, published substantial excerpts from the lengthy telegram or letter he sent to the provincial premiers, when the house was not aware of its contents?

[*Text*]

Mr. Pearson: I cannot accept that; so far as I know no newspaper man had a copy of that telegram.

FINANCE

POLICY RESPECTING STOCK MARKET TRANSACTIONS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I had intended to put my question to the Minister of Finance, but perhaps in his absence the parliamentary secretary can answer. In view of the chaos that is presently reigning on the stock exchange in Toronto, which the president has described as dangerous, with enthusiasm becoming hysteria and with only one out of ten speculators likely to win, can the minister give us some indication of the government's attitude toward this problem? I think it is a very serious situation.

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): I believe that a statement in this regard should come from the Minister of Finance himself. In his absence I should like to take the question as notice and refer it to him on his return.

Mr. R. Gordon L. Fairweather (Royal): This was going to be an original question, but the hon. member took the words out of my mouth, so to speak. I wonder if the Prime Minister would consider convening a federal-provincial conference, the objective of which would be to work out a formula for joint policing of stock exchange transactions, based on the securities exchange legislation in the United States?

Mr. Speaker: This gives me my opportunity to apply the rules which the house has accepted. I am going to ask for the full co-operation of all hon. members because I am going to be as strict as possible from this time forward.

It seems to me that while the question is very important, there is no pressing urgency. Furthermore, under subsection (f), it raises a matter of policy rather too large to be dealt with in answering a question at this time.

Mr. Fairweather: Also in accordance with the rules, I am delighted to be part of a precedent and I should like to give notice now that I will ask for this question to be transferred and dealt with in debate tonight.

Mr. Pickersgill: It is after five o'clock.

Mr. Speaker: In accordance with a strict interpretation of the rules, notice should be received by five o'clock.

HEALTH AND WELFARE

IMPORTATION OF POISONOUS BED SHEETS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of Trade and Commerce of which I sent him notice this morning. Are the federal authorities making an investigation of certain imports into Canada that endangered the lives of the purchasers and almost brought death to two boys? I refer to the 600 bed sheets that were brought to Vancouver from Belgium which were found to be contaminated with a highly toxic insecticide known as parathion?

Hon. Mitchell Sharp (Minister of Trade and Commerce): When the hon. gentleman sent this notice to me, I referred it around to the government departments and found it should be answered by the Department of National Health and Welfare. Perhaps the parliamentary secretary to the minister would give the answer now.

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Yes. If I may, on behalf of the minister, I would say the reply is as follows: This sort of thing usually is dealt with under provincial law. It does not come squarely under any legislation administered by the department. When an incident like this occurs, it is up to provincial authorities to deal with it in the first instance. If there is any evidence of widespread distribution, we assist by getting in touch with health authorities in other provinces. We are looking into the present case at this moment.

EFFORTS TO REDUCE CANCER DEATHS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question notice of which I had given to the Minister of National Health and Welfare. In her absence perhaps her parliamentary secretary might consider answering it. It relates to the Canadian cancer fund campaign presently in progress across the dominion. Considering the very heavy death toll taken by cancer, and more

particularly attributable to lung cancer, much of which is attributed to excessive cigarette smoking, which toll now runs at about 500 lives a week, could the parliamentary secretary bring us up to date on the efforts of the Department of National Health and Welfare to reduce the toll, and especially with reference to new steps which are to be undertaken?

Mr. Speaker: This is a perfect example for the order paper.

Mr. Mather: Mr. Speaker, on a point of order I would like to say—

Some hon. Members: Oh, oh.

Mr. Mather:—that I entirely agree with the rule.

REPORTED HARMFUL EFFECTS OF DRUG PARNATE

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I would like to ask the Minister of Health and Welfare or, in her absence, her parliamentary secretary, has there been any report on the drug parnate, used in the treatment of mental illness, from the committee which was appointed some weeks ago?

Mr. Speaker: I realize the great importance, but surely this is a question for the order paper.

NATIONAL DEFENCE

JERICHO BEACH, VANCOUVER—DISPOSITION OF R.C.A.F. DEPOT

On the orders of the day:

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, may I direct a question to the Minister of National Defence. Can the minister advise the house whether negotiations are taking place to arrive at a disposition of the premises leased by the R.C.A.F. from the city of Vancouver in 1941 for the R.C.A.F. supply depot at Jericho beach, Vancouver, and if negotiations are taking place can the minister indicate when a solution will be announced?

Mr. Speaker: I do not know whether the hon. member wishes to be the first speaker this evening, but in spite of its importance I do not feel his question is so urgent that it should be answered now.

NEGOTIATIONS TO WITHDRAW FROM NUCLEAR STRIKE ROLE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a question to the Minister of National Defence. Could he inform the house whether any negotiations are under way with Canada's NATO allies to negotiate out of the nuclear strike role?

Mr. Speaker: This is certainly a question for the order paper.

GRAIN

REVISION OF GRADING SYSTEM

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question of importance to the Minister of Trade and Commerce. According to news emanating from trading circles a re-examination of the grading system for grain is about to take place for the purpose of bringing it into line with grading methods throughout the world. Can the minister inform the house whether such a revision is contemplated or is already in operation?

Mr. Speaker: I would ask the hon. member to put this question on the order paper.

LABOUR CONDITIONS

REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I wish to direct a question to the Minister of Labour and I make it a question of privilege.

Last Monday, as reported on page 2085 of *Hansard*, I asked the minister whether he had received representations from the province of Quebec in order that the winter works period be extended after April 30. He answered that he had received no official request to that effect. Last Friday I asked the Prime Minister whether he had received a request to that effect from the premier of Quebec. He also answered that he did not know.

During the week end we learned that consultations had taken place between the minister of municipal affairs of the province of Quebec and the federal Minister of Labour in order to extend the winter works program beyond April 30. I read those reports in the press and I should like to know from the Minister of Labour when we were misled, if we have been.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have had no conversations with the minister of municipal affairs for the province of Quebec.

Inquiries of the Ministry

AIRPORTS

TIMMINS—PLANS FOR EXPANSION

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I would like to direct a question to the Minister of Transport, and having just returned from the area I can assure the house it is of national importance and of almost frantic urgency. In view of the fact that the airport in Timmins is completely surrounded by private planes and helicopters, could the minister inform the house whether any immediate planes are in effect to expand this airport in order to ensure the normal flights of T.C.A. aircraft?

Mr. Speaker: Order please. This is a question for the order paper, in spite of the potential danger.

TRANSPORT

MONTREAL—REQUEST FOR REMOVAL OF TRACKS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to ask a question of the Minister of Transport.

In view of the fact that a young child had both its legs crushed by a Canadian National train in the east end of Montreal, specifically between Moreau station and Viau street, does the department intend to remove these rail tracks from Moreau station to Viau street, in order to protect the people living in that part of the city of Montreal?

[*Text*]

Mr. Speaker: Order. This falls under paragraph 7, which says that questions should "not be of a nature requiring a lengthy and detailed answer". May I suggest that the hon. member place it on the order paper.

Mr. Langlois: On a point of order, I think it is of importance—

Mr. Speaker: May I point out to the hon. member for Megantic that there is no point of order at this time.

Mr. Langlois: I believe there is, Mr. Speaker. According to—

Mr. Speaker: Order, please. If the hon. member would read the report of the committee as it appears at page 211 of last Wednesday's *Votes and Proceedings*, in French and English, he would see to what the Chair is referring.

[Mr. MacEachen.]

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the minister of northern affairs, and ask whether he has yet received any request from the government of British Columbia for financial assistance to the victims of flooding in the Alberni valley?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, we have received no report so far.

EDUCATION

STUDENT LOANS—REPRESENTATIONS BY QUEBEC

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I wish to address a question to the Prime Minister arising out of a statement he made today in connection with the student loan fund. Would the Prime Minister advise the house whether the province of Quebec has now renounced its intention to test this legislation in the courts?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the province of Quebec has announced its intention of accepting the proposal that I gave to the house this afternoon.

SOCIAL INSURANCE

MANITOBA—TEACHERS STILL REQUIRED TO COMPLETE APPLICATION CARDS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, may I direct a question to the Prime Minister. I wonder whether he has anything to report today as to whether a directive has gone out as yet to regional unemployment insurance offices in relation to the confusion which was apparent regarding the compulsion of teachers to fill in social insurance cards?

Mr. Speaker: May I suggest this should be placed on the order paper unless—

Right Hon. L. B. Pearson (Prime Minister): In fairness, Mr. Speaker, I think the hon. member asked this question before the new regulations were in effect, and I said I would take it up with the Minister of Labour and that the Minister of Labour would reply.

Some hon. Members: You are breaking the rules.

Mr. Pearson: I understand I am out of order in raising this matter, Mr. Speaker.

Mr. Speaker: In view of the general interest in this subject and since we had a great many questions on it last week, if the Minister of Labour is prepared to reply it might dispose of the matter now.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I wish to advise my hon. friend that on April 15 all local office managers of the unemployment insurance commission were instructed to write local school boards and boards of education to the effect that the requirements concerning the renewal of unemployment insurance books do not apply to teachers, since they are not covered by unemployment insurance. Moreover, the registration for social insurance numbers is being carried out on a purely voluntary basis so far as teachers are concerned. These regulations were sent out last week.

ADMINISTRATION OF JUSTICE

QUEBEC—REQUEST FOR DISPOSITION OF TAXATION CASES

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Justice, and I hope it is in order.

Does the Department of Justice intend to intervene with the authorities concerned so that the false certificates trial, which is always being postponed, may be held soon, in view of the fact that the attorney general of the province of Quebec seems to be deliberately delaying that trial?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I really think this question is one that bears on a subject matter completely beyond the jurisdiction of the Minister of Justice.

[*Text*]

TRADE

ATTENDANCE OF MINISTER AT NEW YORK FAIR

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Can he inform the house whether he has been officially invited to the opening of the New York world fair Wednesday as the representative of the Canadian government?

[*Text*]

Mr. Speaker: One might almost say that this question is an urgent one in view of the date of the opening. But it is, really, a question for the order paper.

SUPPLY

Hon. Guy Favreau (for the Minister of Finance) moved that the house go into committee of supply.

VETERANS AFFAIRS—TRANSFER OF HOSPITALS FROM FEDERAL CONTROL

Hon. Gordon Churchill (Winnipeg South Centre): This is the first supply motion in a series of six allowed by the rules for this session and we welcome the opportunity to draw some matters to the attention of the government and of the public. May I express the hope that the succeeding supply motions will be spaced out over the session as was the normal practice for many years in this house until last fall when five of them were crowded together for five successive weeks which, in effect, destroyed the value of supply motions to a certain extent.

The opposition is not suffering from any dearth of subjects to bring forward on supply motions, because when you have a government in retreat for a full year there are plenty of questions which need to be discussed, and discussed openly here in the House of Commons. I was impressed by the remarks of the Prime Minister (Mr. Pearson) today when he advocated more open methods as being, to use his words, much better than the back room style of carrying on discussions and when he suggested that it is useful for public opinion to be brought more fully to bear on public matters. Here we have an opportunity on a supply motion to have an open discussion and in particular to bring to bear on important questions the weight of public opinion. My hope is that after this debate today and tomorrow the government will again retreat from the position it has taken.

I do not intend to adopt, as the Prime Minister used to do when he was leader of the opposition, a shotgun approach to a supply motion, that is to say, ramble all over the field and then, finally, under pressure, come down to one specific subject. I intend to announce within a few seconds, the subject matter that I have for discussion—a specific problem which I think should be dealt with by the House of Commons. And if the press of the country and the other news media adopt the suggestion of the Minister of Transport recommending analytic reporting of parliamentary proceedings we shall get across to the public of Canada this very important subject, and we shall have their opinion to reinforce the opinions of members of the House of Commons.

In order to relieve members of the cabinet from their worry—each one of them is—

Mr. Pickersgill: Trembling?

Mr. Churchill: —bothered by his conscience, I suppose, by something which has been going on in his department, something which he does not wish to have disclosed—in order to

relieve those worried faces across this chamber I will say that the subject matter with which I am about to deal has to do with veterans affairs.

I am sure the Minister of Veterans Affairs (Mr. Teillet) who must have been anticipating I would raise this subject will be pleased to have the support of his colleagues, because collective responsibility is laid upon the members of the cabinet. I am sure all members of the cabinet from the Prime Minister down will give their close attention to this particular subject. Why has this subject come up for discussion? It has come up for discussion because over a period of almost three months we have been asking questions from this side of the house, attempting to get answers on this subject. Unfortunately, those answers have been ambiguous. They have obscured the issue and they have failed to give us the information which we sought. At least 18 questions have been asked on orders of the day in this chamber having to do with this problem, and when that number of questions is asked—and they were questions of urgency which would have been allowed even under the new rule we have adopted—the subject is one which obviously requires the attention of the government. That attention has not been given in a satisfactory way to this problem of veterans affairs.

Let us first consider the situation as far as veterans are concerned so that we may have some of the facts in front of us. I would refer to the committee report for 1962-63 which on page 79 indicates that there are in this country 150,724 disability pensioners—slightly over 40,000 from the first world war and some 106,000 from the second world war. The others are from Korea and the regular forces. So this is not a small problem from the standpoint of the disability pensioners, and the disability pensioners in 99 per cent of the cases are men who have been wounded. There are 150,000 of them in Canada.

Veterans of the first world war number about 40,000 and the disability pensioners are dying off at the rate of 2,000 a year. They belong to a vanishing race and the problem as far as they are concerned will disappear. The 100,000 from the second world war are now in middle age and we hope they will be with us for a good many years to come. Even if there are no more wars, and that is what we hope, the problem of Canada's war veterans is not one to be lightly brushed aside. I have given the house these figures so that hon. members may have an idea of the number of veterans who are being looked after by the Department of Veterans Affairs. Many of these disability pensioners, men with war wounds, are admitted to our veterans hospitals month after month and year after year.

[Mr. Churchill.]

Their cases come up for re-examination. As the years go by, deterioration sets in and a serious injury suffered in wartime many years ago, apparently healed, comes back to trouble the pensioner in later life.

In addition to those who are suffering from war wounds there are those who are on the war veterans allowance roll, and page 94 of the report indicates that there were 79,820 such people at the end of the fiscal year 1962-63. These are people, generally over 60 years of age, who are entitled to hospital treatment under the Department of Veterans Affairs. So that you have over 200,000 veterans of the first and second world wars and the Korean war who are entitled to treatment under the Department of Veterans Affairs, largely in the veterans hospitals. Some of them are looked after in other hospitals, but not very many.

There has been quite a bit of misinformation scattered here and there across the country as to the situation of the veterans hospitals. They are 11 in number. The beds available are roughly between 8,000 and 9,000; I believe 8,623 is the figure given in the departmental report. The occupancy figure is 80 per cent generally across the country, which I have been told is a reasonable occupancy figure. The admissions, people coming in, staying for a while and going out, for the fiscal year 1962-63 reached the total of 75,860, which gives you some idea of the tremendous load that is placed upon our veterans hospitals and the medical staffs which look after them. The average length of stay of those who come and go is slightly over 21 days. Then you have to consider how these people are divided up. In the report of the veterans affairs committee which sat last session, on page 372 you have the statement of the director of medical services for the department, who indicated in the first instance that there had been a decline in the number of hospital beds for our veterans. In 1945 there were 12,000; now it is down to roughly 8,600. So there has been a steady decline there. He divides into four categories, those people who are making use of the hospitals and are using the accommodation in the hospitals; those who are suffering from war wounds—the disability pensioner—15 per cent; those who are in the hospitals because of their entitlement under the War Veterans Allowance Act, 20 per cent. With regard to those who are in the hospitals because they need domiciliary care, I might just read what he says:

> Fifty per cent of our hospital population is made up of people under section 29, this means people who are receiving domiciliary care.

He goes on to say:

> I think that "domiciliary care" is a most unfortunate term because the fact is that these people in our hospitals are sick. They all have some degree of medical reason for being in the hospital and many of them have a very great degree of medical reason. They are bedridden, they need a great deal of chronic nursing care.

The balance of 15 per cent is made up of 6 per cent from the armed forces or the Royal Canadian Mounted Police, 1 per cent patients receiving care at the request of other federal departments, and the rest are veterans who, although not entitled under the act to receive treatment in veterans hospitals, have been admitted and are paying their way for that treatment.

That gives you an idea of the problem which the Department of Veterans Affairs faces. I will not go into detail with regard to the history of our veterans hospitals, but it is a long and honourable history. It dates right back to the end of the first world war, and Canada has become accustomed now for 40 years to having our veterans looked after in separate institutions. Although at times there is here and there an individual who has some complaint with regard to his treatment in a veterans hospital, by and large the work in those veterans hospitals has been of a very, very high standard and has been satisfactory. Men who have been wounded, men who are on war veterans allowance, the aged and the infirm have been looked after in our veterans hospitals, and their relatives and friends have been very grateful for that assistance.

How has it come about that at this time we are facing an attack on our veterans hospitals? There are people who say, "Oh, well, we do not need to pay so much attention to our veterans". I will deal with this a little later on. There are those who are saying, "Well, some of the veterans should not be in those hospitals". Others say, "There are wards vacant, and they should be filled". This is all part of the general problem of hospital care for our population, and it is rather distressing if anywhere in the country there are wards in hospitals not utilized for the general population. One of the problems that the Department of Veterans Affairs faces, and has faced now for a number of years, is to get adequate staff in order to man completely the hospitals for which it is responsible. If the present Minister of Veterans Affairs can solve that problem, he has my good wishes, because I was faced with it during the time I held that portfolio. I refer to the problem of getting staff in order that no wards remain vacant in any veterans' hospital. But this is not an easy task and I am sure the department is working hard at that job right now.

However, the general public looking at the situation, sometimes getting reports that are not completely factual, has gained the impression in some areas that the veterans do not require the care that they are now getting in the veterans hospitals, so that there is vacant space which should be made available to other members of the population, or something like that. I think any reasonable person would say that as our veteran population declines and vacant space becomes available in the present veterans hospitals, that space of course should be made available to others in the community who require medical attention. I think no one objects to that point of view. Contrary to an editorial in one newspaper, there is no "dog in the manger" attitude on the part of any veteran with regard to the veterans hospitals. As space becomes available, it should be placed at the disposal of others within the community who require hospitalization.

I have pointed out the burden which still weighs upon Canada for her present veteran population, and this cannot just be brushed aside easily. There are 200,000 veterans entitled under the act to receive treatment in our veterans hospitals. We cannot overlook the fact that the second world war veterans now approaching middle age will find increasing difficulties as the years go by. It is unfortunately true that as the years go by you do not just naturally recover from all the problems that affected you in your youth. On page 63 of the annual report there are some paragraphs worthy of note. The paragraph headed "Disabled veterans" reads:

> There is a continuing need for special services to disabled veterans. Eighteen years of experience—

—this is since the second world war—

> —have demonstrated to the satisfaction of the department that the war disabled can meet the challenge of normal peacetime living and make a substantial contribution to the economy of the country. Unfortunately, with the passing of the years, many wartime disabilities are being aggravated by the hazards and stress of modern living... As a result of these situations, there is a small but steady stream of veterans seeking advice and assistance with their problems of health and employment.

Then it goes on to say that during the last year 300 new disabled cases were registered for service. In the same period another 400 closed cases were reopened for service in specific areas of need. So it is not the type of work that can be called to a halt at any given moment.

Then at the bottom of the page there is a paragraph with regard to the older veterans:

> Any consideration of the welfare of older veterans invariably involves the services provided for the rehabilitation of the disabled and for this reason the branch has decided that its programs for assisting disabled and older veterans should be combined in one operational division. As world

war II veterans are now of an average age of 45 years, it becomes apparent that all veterans may soon be classed as older veterans and the incidental demands for health and support due to age are bound to increase.

Everyone, of course, knows this.

Unfortunately, the process of ageing brings on many diseases and crippling conditions which force older veterans to retire from the employment market.

The point I am making is that it is a continuing problem. The number of veterans in this country is very large. As they get older the problem does not disappear. The first world war veterans will vanish, they will fade away; but the second world war veterans are here for years to come. Under these circumstances, what do you do with the veterans hospitals? When we had the opportunity of forming the government we asked the Glassco commission, in the midst of its manifold duties, to report on the veterans hospitals. This the Glassco commission did. I will not read at length what they reported, but they did look into the problem and make five recommendations, and I think that these five recommendations should be set out now, because I am laying the groundwork for subsequent speeches by my colleagues who will fill in other aspects of this problem. These are the five recommendations, which appear on page 195 of volume 3.

1. No further hospitals be constructed by the government as active treatment hospitals for war veterans.

2. Progressively, the treatment of veterans with pensionable disabilities be transferred to public hospitals, with the cost borne by the federal government.

3. Veterans with major pensionable disabilities, who require chronic or domiciliary care, continue to be a federal responsibility.

4. Veterans without major pensionable disabilities now receiving chronic and domiciliary care at public expense be progressively transferred to community facilities under such financial arrangements as may be expedient.

5. Active treatment hospitals now operated by the Department of Veterans Affairs, when cleared, be sold and converted into community hospitals under transfer agreements providing preferential admission rights for veterans with pensionable disabilities.

That volume of the report was first brought to our attention in January, 1963. Immediately the prime minister of that day, the present Leader of the Opposition, was asked about it. The Montreal *Gazette* reports on January 9, 1963 his reaction to that report as follows:

Prime Minister Diefenbaker said pointedly yesterday that he "disagreed" with some features of report No. 3 released on Monday night.

Mr. Diefenbaker singled out the veterans hospitals proposal as one which was "rather more sweeping than I think the government would give acceptance to".

[Mr. Churchill.]

"I don't know how my colleagues feel but I would not agree with that recommendation," he said—

I was in Winnipeg when I was asked for my reaction, which is quoted in the same paper. I was not in consultation with the then prime minister but I issued a statement which is reported in the *Gazette* as follows:

"No steps will be taken at this time to change in any way the present care and treatment of our veterans", veterans affairs minister Churchill said in Winnipeg.

"Newspaper accounts appear to me to have exaggerated some of the recommendations of the report", Mr. Churchill said.

"I want to assure all veterans in our hospitals, and all others who are interested, that no steps will be taken to change in any way the present care and treatment of our veterans at the present time".

"The distinction between active treatment and chronic care treatment is very well known to the department and has been the subject of very intense study by the department and myself during the last two years. Plans for chronic care and treatment to release active treatment beds are very far advanced, and decisions thereon were deferred pending the report of the Glassco commission.

"The suggestion that a $200,000,000 expenditure on hospital construction has been contemplated for the future is without any foundation to my knowledge".

"The care and treatment of Canada's veterans is a major obligation of this country which has been, and will continue to be, thankfully borne by Canada because of the sacrifices made by Canadian servicemen in wartime, and so long as I am minister of veterans affairs or have any government responsibility for veterans affairs, there will be no change in the care and treatment of our veterans unless it is clearly and unmistakably for their benefit".

In the same issue of the Montreal *Gazette* Judge C. C. Sparling, president of the Royal Canadian Legion, is reported as follows:

In Winnipeg, Judge C. C. Sparling, president of the Royal Canadian Legion, had described the recommendation that veterans hospitals be closed down as "shocking". He said that he was convinced that the Glassco commission's call for a revision of this and other services offered to Canadian veterans would be received with "grave misgivings" by the nation's 1,500,000 war veterans.

That was our response to the Glassco commission report. We went further than that and said: "Hands off the veterans hospitals". That has been our stand ever since and there has been no interference with the veterans hospitals. Repeatedly I have said to those who have asked me about it that there is no haste in this matter. The problem is very great at the present time. Several years will have to elapse before the burden of looking after war veterans has decreased; and I have given you the figures as of today where there are over 200,000 entitled to treatment in our hospitals, with thousands who may require treatment as the years go by—because there were one million people in uniform in the second world war.

In my opinion the Glassco commission report failed to appreciate the problem of veterans hospitals, although a great part of the report, which was voluminous and comprehensive and extended over five volumes, was acceptable and is being put into effect by the government. But so far as veterans hospitals are concerned I think the Glassco report was wrong. I think those who wrote that particular section of it failed to understand the problem.

I have set these facts before the house and I now want to deal with the attitude of the present government. I have given our stand concerning veterans hospitals and we have not changed our stand. We appreciate the problem. I appreciated it when I was minister of veterans affairs. We were waiting for the Glassco commission report before a final decision was made and it was just after the report was made that I was transferred to another department. Then the government changed and consequently there has perhaps been some delay.

We were quite aware of the fact that our veterans hospitals contain a number of veterans who do not require active treatment. We did not have in mind the building of new and expensive hospitals and running up a bill of $200 million. That is simply ridiculous. I have no idea where the Glassco commission got that figure. We had no such idea at all. One or two hospitals needed renovating. There may perhaps be one new building required but the enlarging of the number of active treatment veterans hospitals was not in contemplation.

We were considering what to do with those people who do not require active treatment accommodation but rather care somewhat similar to what can be had in a nursing home. In that regard there are examples of satisfactory operations which are going on under the Department of Veterans Affairs in Vancouver, Saskatoon and Ottawa where older people who are still mobile are looked after because they require a certain amount of medical supervision and nursing care.

All this information is available to the department. We took the stand that we were not going to swallow the Glassco commission report, hook, line and sinker, without a thorough study of it. I had hoped that the present government would do the same. However, that is not the case. We heard rumours about changes being made and a whole series of questions was put to the Minister of Veterans Affairs earlier in the session. After considerable delay he finally produced a statement on March 16. He wanted to smuggle it into *Hansard*. He was not going to read it. He wanted it printed as an appendix. But the Leader of the Opposition (Mr. Diefenbaker) very properly asked him to read it and so it is recorded on page 929 and subsequent pages of *Hansard*. His statement sets out the policy of the government with regard to veterans hospitals. As found on page 930 he said:

> Consequently the only practical solution to the very real problem we face is to enter into agreements with suitable agencies to take over the operational control of veterans hospitals. These would then become general community hospitals, in which the department could purchase the service it must provide.

As found on page 931 he summed up the matter in these words:

> It is therefore the view of this government that the operational control of veterans hospitals should be transferred to non-federal agencies at times, in places, and under conditions which will best protect the standards of care to which veterans are entitled.

On March 26 I sought an assurance from the minister. As found on page 1497 of *Hansard* I said:

> Will the minister give an assurance to this house that no hospital under the control of the veterans affairs department will be transferred to other authorities until the matter has been discussed and approved by parliament?

The minister thought that was a very involved question and, after an exchange of questions and answers, he went on to say:

> —as to submitting the matter and debating it before parliament in each instance, I think the hon. gentleman will realize this is an impossible thing to do because it would require or may require 11 or 12 different submissions to cover each instance.

In other words, he was contemplating the transfer of the 11 hospitals. Then I said:

> I take it we now have the assurance of the minister that he intends to transfer the veterans hospitals to other authorities. Is that correct?

The minister replied:

> The statement I made in the house the other day was, I think, quite clear—

The statement made the other day was, I presume, his statement of March 16, the operative sections of which I have just read. Not content with that, in addition to questions asked by other members the hon. member for Middlesex West asked the Prime Minister a question supplementary to one I had asked on March 30 last. As found on page 1544 of *Hansard* the hon. member used these words:

> Can the Prime Minister assure the house that if arrangements are made to let other interests use some of the hospital beds now under the control of the Department of Veterans Affairs, the actual control of these hospitals will be left with the Department of Veterans Affairs?

The Prime Minister replied:

> I think it would be the intention, Mr. Speaker, that the hospitals be left in the control of the department.

I suggest that we pause there to reflect on what those words meant. I took them to mean that in the mind of the Prime Minister there would be no transfer of the hospitals from the control of the department, if words carry the clear meaning that seems to be contained in those words. I subsequently asked him if he had not given a different answer to me than he gave to the hon. member for Middlesex West, but he said I was not using quite the same words I had used in my earlier question.

I see it is six o'clock, Mr. Speaker. I will continue at eight o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Churchill: At six o'clock I was drawing attention to the statements which were made in the house by the Minister of Veterans Affairs (Mr. Teillet) and the Prime Minister (Mr. Pearson) which were contrary one to the other. I quoted from *Hansard* of March 16 where the minister made a statement; March 26, when I tried to get assurances from him that there would be no transfer of veterans hospitals; March 30, when the Prime Minister said he thought it would be the intention that the hospitals remain in control of the department. I would have thought when that was said by the Prime Minister the issue would have been settled and the Minister of Veterans Affairs would have immediately informed the house that no change would be made. He remained unconvinced by the Prime Minister's statement and this is what makes it so difficult in this house. Where do we place our reliance? We get one answer from a minister and a different answer from the Prime Minister. Which one do we believe?

Well, for the time being, I guess we have to rely on the Minister of Veterans Affairs, because after that statement by the Prime Minister the Minister of Veterans Affairs was out in Winnipeg during the first week of April. The Winnipeg *Tribune* of April 4 reports in part as follows:

> He—

This is referring to the Minister of Veterans Affairs.

> —admitted there would be some uncertainty and difficulties during the transition period when the hospitals changed control.

Obviously, he had in his mind that the hospitals would change control, and that is the impression that he left with the people of Winnipeg. This is what I have heard with

regard to his meeting out there and his interview on CJOB, as well as his interview with the press. On April 8, after his return, the hon. member for Okanagan Boundary (Mr. Pugh), as recorded at page 1915 of *Hansard*, asked this question:

> Is it the intention of this government to turn over the veterans hospitals to the provincial authorities?

The minister answered as follows:

> —if we can be satisfied that we shall be given the necessary safeguards and guarantees so that veterans' rights will definitely be protected, it is our intention to proceed with it.

So there you have the story up to April 8, and the intention of the Minister of Veterans Affairs is to turn over the veterans hospitals to other authorities, either provincial or municipal. He mentioned certain safeguards which should be established. He says that this must be done in order to assure that the standard of treatment is maintained, and various things like that. Obviously, however, he is determined on his course. It has been impossible for the House of Commons to get a clear answer from the government in view of the somewhat evasive statement of the minister himself and in view of the statement of the Prime Minister which was the opposite to that made by the Minister of Veterans Affairs.

Now, Mr. Speaker, what is the stand of veterans organizations on this question? The Royal Canadian Legion and other veterans organizations have been attempting to get a satisfactory answer from the minister, but have had no success. The standing committee on veterans affairs, when it met last session made the following recommendation, which is recorded on page 430 of the committee minutes, and I quote:

> Your committee is aware that a point has been reached where a decision must be made regarding treatment services in both areas of responsibility and administration. Your committee recommends that fullest consultation be carried out with veterans organizations before any changes are made.

On March 16, when the minister made his statement to the house, he met with representatives of the Royal Canadian Legion afterwards, and not before. The Royal Canadian Legion issued a release the following day from which I will quote two paragraphs:

> "The Royal Canadian Legion is opposed to any change in the D.V.A. treatment arrangements that will alter the present provisions for treatment of veterans under any of the classifications of the veterans treatment regulations" said Fred O'Brecht dominion 1st vice president.
>
> Mr. O'Brecht was commenting on the statement made by the Minister of Veterans Affairs which outlined the proposed turnover of D.V.A. hospitals to municipalities or provincial governments.

After the representatives of the Legion had met with the minister, they wrote him a letter

dated March 20 and they issued a press release so that everybody would know the result of their meeting with the minister. In part, this press release reads as follows:

> The Royal Canadian Legion is not satisfied with answers given by the Minister of Veterans Affairs to its questions on the proposed handover of D.V.A. hospitals. It today urged that action on the handover cease immediately and that the entire matter be reviewed.

The Legion has had no greater success than members of this house. We have not been able to get satisfactory answers. We have asked the minister to cease and desist from his activities, to call a halt to these proposed transfers and changes, which he apparently declines to do. Hence we have this debate.

I do not intend to go into all the details because other hon. members want to speak and I wish to give them the opportunity. In view of the facts I put on the record this afternoon, the situation with regard to the D.V.A. hospitals will be made quite clear to anyone who reads that record. As time goes on, if there is no further war, it is quite obvious the situation will change and the veterans hospitals will have vacant wards available for other purposes, but that time has not yet come.

I drew attention to the report of the Glassco commission, but when I did I omitted to indicate what the director of medical services had reported to the Glassco commission when it was making its investigation in 1962, when I was minister of veterans affairs. As recorded at page 434 of the report of the proceedings in the standing committee on veterans affairs, Dr. Crawford told the committee about the Glassco commission. He said:

> I was interviewed, as were members of my head office staff and, as I was directed to do, I gave them all the information pertinent to their study including a copy of the paper which I had prepared for the minister. When the Glassco commission report appeared it was evident that they had discarded the recommendation I had made in that paper; that is, that we carry on as we were at least for the time being, and had adopted the second proposal I had made; that is, buying care from community hospitals and turning over veterans hospitals.

Mr. Teillet: The hon. gentleman gave the page, but will he give the date of that report?

Mr. Churchill: The page is 434 of the evidence taken on Tuesday, December 10, 1963. Dr. Crawford had advised the Glassco commission to let things stay as they were for the time being. When I was talking to him, before he presented that report to the Glassco commission. I said, "Let things stay as they are for some considerable time; it may be 10 years, it may be 15, and in the interval let us see what we can do to correct some of the problems you have raised with me, the care of the chronic patients and the aged, and those occupying active treatment beds which should be released for more urgent cases."

We were looking into alternative methods of dealing with those problems, but never at any time did Dr. Crawford and I consider together the turning over of veterans hospitals to other authorities. But as a dutiful public servant and a man held in the highest regard, he was under the obligation to put alternative plans before that commission, which he did, and the commission rejected his first submission out of hand and seized upon the alternative. That is how the Glassco commission arrived at the findings I read out this afternoon.

As I see it, the solution is to let things remain as they are, with such modifications in the care and treatment of our veterans as are acceptable to our medical advisers, to the veterans themselves and to the veterans organizations. If this means making provision for those who do not require active treatment right in the D.V.A. hospitals, then let us make that provision; but to seize on this other course of handing these hospitals over to other control is repugnant to me, and is certainly repugnant to the veterans organizations.

This method that we in Canada have of looking after our veterans has been built up over a lifetime of effort. The people who now are hastily devising some new means to look after our veterans do not know the history of our veterans organizations from the time of the first world war. If they knew that history they would make none of their present decisions.

The minister's attention has been drawn to this by the president of the Royal Canadian Legion, who has made public a letter which he wrote to the minister on April 9. He wrote this letter because of the concern of the Legion and other veterans organizations as to the apparent obvious policy of the government, and in the letter he points out some of the difficulties veterans organizations had over the last 40 years in building up the veterans charter and getting recognition of veterans problems.

Throughout those 40 years—and I have said this before, in this house and elsewhere —the veterans of Canada have not made extravagant demands upon the government of the country. Any demands they have made have been on behalf of their comrades who have suffered all their lives as a result of their war experiences. I suggest, Mr. Speaker, that this attitude of the Royal Canadian Legion should be recognized.

This is what the president of the Legion said, on page 4 of his letter:

> This issue—

He is referring to the veterans hospital issue.

> —may be the crossroads for the Legion and the veteran. To some extent the purpose for which we exist is at stake. If cities and municipalities have been shortsighted in providing facilities for their people, and the shortage of hospital beds requires it, I am very sure the veteran will gladly accede to the use in his hospitals by the public of such beds and space as may be free and available.
>
> This is the stand of the executive of the Legion and I am very sure it is also the stand of most of the other veterans organizations.

I thoroughly believe that that is what is in the minds of the veterans of this country. To me this episode indicates an attitude of mind which I find very disturbing, an attitude of mind on the part of the government with regard to the veteran population of the country, and particularly with regard to the veteran who is in need of hospital and medical care.

I confess I am astonished that this matter should ever have drifted on the way it has. I am astonished that, in the almost three months which have elapsed since questions were asked in the house, a definitive statement has not been made and the problem has not been closed. I am astonished that the government, and particularly the Prime Minister, are showing a careless attitude towards this problem. I suggest it is a careless attitude because this matter has been brought to the attention of the Prime Minister.

Not so long ago I saw a letter from a Canadian citizen—I will not divulge his name —in which he said, "In my opinion the debt to the veterans of Canada has been paid." Is that the attitude of mind of the present government or may I dismiss that as just the opinion of some crank? The debt to the veteran of this country has of course not yet been paid. How can you pay that debt when the man has been injured in war?

Mr. Moreau: Mr. "X".

Mr. MacEwan: Make your speech and we will listen to you. Get up and show us what you know.

Mr. Churchill: I will end my remarks by drawing attention again to the statement of the Prime Minister (Mr. Pearson) on March 30 as recorded on page 1544 of *Hansard* in answer to a question by the hon. member for Middlesex West (Mr. Thomas). The question was, in effect: Will the actual control of these hospitals be left to the Department of Veterans Affairs? And the Prime Minister replied:

> I think it would be the intention, Mr. Speaker, that the hospitals be left in the control of the department.

[Mr. Churchill.]

Yet we have these repeated statements by the Minister of Veterans Affairs (Mr. Teillet) that it is his intention to proceed with the transfer of these hospitals to provincial or municipal control. This is not good enough. I think we must have from the government now a clear, concise and accurate answer to this question. They have caused disturbance, dismay and confusion among the veterans of this country, among the veterans who are in our hospitals and among their relatives, as well as those who for years have been visiting our veterans hospitals, the auxiliary organizations and all the people who are interested in the welfare of the disabled veterans of this country.

I shall not dwell upon the services that these veterans have rendered. I am simply asking this government to correct immediately the uncertainty concerning this particular matter. The stand our party takes is: Hands off the veterans hospitals; leave them in the control of the Department of Veterans Affairs and make the necessary adjustments which may have to be made as the years pass in order to maintain the standards of treatment, in order to maintain protection for the veterans who require hospitalization, and so on. If and when the hospitals, or part of them, are no longer required for veterans they should, of course, be made available for other purposes. That is our stand. I therefore move, seconded by the hon. member for Pictou (Mr. MacEwan):

> That the motion be amended by deleting all the words after the word "that" and substituting therefor:
>
> This house deplores the announced decision of the government to abandon its responsibilities for the administration of veterans hospitals by assigning and transferring certain veterans hospitals to provincial or municipal control, and further deplores the failure of the government to accept the request of the Royal Canadian Legion and other national veterans organizations that the administration and control of the veterans hospitals remain with the Department of Veterans Affairs.

Mr. H. W. Herridge (Kootenay West): I rise to support the principle of this amendment because though the wording is somewhat different from the wording and approach we would have used had we introduced such an amendment, I believe it is designed with the best intentions to protect the rights and to meet the needs of veterans in Canada.

Throughout the years, when we are dealing with a problem of this type, we have been able in the veterans affairs committee to meet such matters as this in a non-partisan spirit and I trust there will be enough of our colleagues on the government side of the house to make certain that the fears of veterans organizations at the present time are not justified. This question has been one of great

concern to veterans organizations generally in Canada at dominion, provincial and branch level. I have heard this matter discussed on a number of occasions. It is of concern to veterans generally and to their dependants, and I think it is of concern to a very large number of Canadians who recognize we have a particular responsibility toward the veterans of this country who defended it in two world wars and in other wars.

This is a subject which is very dear to my heart, personally, as I have a lot of friends among the veteran population in my own constituency and in other parts of Canada. I speak tonight as a member of this house after 19 years of experience on the veterans affairs committee, as the president of the 54th Kootenay battalion C.E.F., which was one of the finest battalions in the Canadian expeditionary force. As a man with a knowledge of veterans needs as a result of long association with them, and with a knowledge of their attitude toward veterans hospitals and their recognition of the services rendered by them to veterans since their inception. Generally speaking, veterans appreciate the high standard of service which has been given by veterans affairs hospitals. There is a certain possessiveness among veterans with regard to these hospitals throughout Canada; they feel they are their own hospitals, and when, unfortunately, they have to enter these hospitals as they grow on in years they meet comrades who, perhaps, fought in the same wars they did, sometimes in the same regiment, or brigade, or division. So there is a lot of sentiment attached to these hospitals as far as the veterans are concerned.

A debate like this revives memories, and when you get to be an old man like me you cannot help living in the past on occasion. When I discuss a subject like this I think of some of the men I knew. I think of the unusual characters. I remember a certain little chap who drove a baker's wagon at Nelson, and that chap had such poor sight that when we were in the front line at Ypres he could not see the rum jars coming over—those were mortar shells. He used to say: "Tell me when to run." But that did not stop him joining up. I think, too, of Herbert Richardson, a Cockney and a half, with a wry sense of humour. On one occasion we had been practically blown out of the Regina trench. I said: "What about it Herbie", and he said it would not have been so bad, if they had started two hours later because he would have had his socks darned by then.

I shall never forget the last time I saw him. I travelled some miles through the woods to visit him in a log cabin. He was very glad to see me, and said, "I have always had a great respect for you. However, I never thought you would sink so low as to become a member of parliament". Then only last week I received a letter from Hon. Howard Green, the former secretary of state for external affairs. I know that members of all parties in this house wish he were still here; many of us miss him.

Some hon. Members: Hear, hear.

Mr. Herridge: He told me that he had attended the funeral of a veteran who was in our company that I had written to just two or three weeks before. This veteran had died in Shaughnessy. Howard Green had managed to round up four or five of the men of our battalion to act as pallbearers, and pay their last respects to him. His last days were made more comfortable in Shaughnessy hospital. Only a couple of weeks ago one of my best friends died, a veteran who had just been in Shaughnessy. He used to write me and say how much he appreciated the care he received. He was over 80. That type of care is not provided in many hospitals in this country. Therefore, Mr. Speaker, when I read the letters from veterans who have been in our veterans hospitals, and talk to them after their return and realize how much these hospitals mean to them, I realize that we have more than ever a great responsibility in this connection.

Veterans hospitals are democratic institutions. I appreciate the veterans hospitals. They have done a bit of mending in my case. I shall never forget the last time I was in Shaughnessy. The chap in the next bed said to me, "Have you done any time?" I said, "No". "Well", he said, "you are almost the double of a chap that was in the next cell to me in the pen for over two years". So you can see, Mr. Speaker, that in democratic institutions there is a spirit of fraternity because of service in war which I wish was more frequently evident in times of peace. I mention this instance to indicate the rather unusual atmosphere and sentiment that surrounds the question of veterans hospitals in this country, and I know a good many other members of this house understand that as well.

In the opinion of this party the veterans of Canada have a particular claim to consideration with respect to this question. I say that without any hesitation whatsoever. There was a strong reaction throughout the country as the result of the recommendations of the Glassco commission. That reaction was not only among veterans, but also among people who realized that we have this responsibility for the care of veterans in Canada. This question was discussed last year in the standing

committee on veterans affairs, and we heard from Dr. Crawford, who is a veteran himself with war experience in Hong Kong. He is one of the finest chief medical officers of any group of institutions in Canada. He dealt with the whole question from a medical point of view and reviewed it with regard to efficiency. He told us of the probabilities of the future, and so on.

Then we heard representations from various veterans organizations. We did not hear much on this subject because the matter had not been crystallized, as it were. Then as the result of listening to Dr. Crawford, whom we all respect, and listening to some representations from veterans organizations, the committee in its report to the house recommended:

> Your committee is aware that a point has been reached where a decision must be made regarding treatment services in both areas of responsibility and administration. Your committee recommends that fullest consultation be carried out with veterans organizations before any changes are made.

I might say, Mr. Speaker, that was the unanimous opinion of the committee; everyone agreed to the recommendations contained in the report made to this house. We expected to hear of some policy with regard to consultation with veterans organizations on the dominion, on the provincial and on the branch level. I must say that a number of us in this house, veterans organizations and a good many others throughout the country, were rather shocked when the minister announced government policy with regard to these veterans hospitals some time ago. We did think it would have been understood—and this is what we hoped—that the policy would be devised as the result of the closest possible consultation with all the veterans organizations and then, possibly, further reference to the committee with, later, a co-operative drafting of policy to meet the needs of the present and protect the rights of veterans in this country. More than that, the surprising thing was that the veterans organizations were not consulted before the minister made his announcement in the house. Mind you, the minister is quite a likeable person, but we are trying to get him back on the rails again on this question. The very afternoon that he made this announcement there were representatives of veterans organizations in the galleries listening to him, and he met the representatives of these organizations later in the afternoon. We think that the minister certainly should have listened to the representations of these representatives of veterans organizations before making any announcement in the house. In fact it is indicated that this matter is so complicated and surrounded with so many problems that to arrive at a satisfactory solution it is going to require a very thorough consultation with veterans organizations with regard to the circumstances surrounding every one of the large veterans hospitals in Canada.

The minister's announcement created an immediate reaction from veterans organizations. I am certainly not going to repeat what was said by the hon. member for Winnipeg South Centre (Mr. Churchill)—but let me point out, Mr. Speaker, that you have heard from the commissioned ranks and now you are hearing from the other ranks, as it were. This is a very democratic section of the house.

There was a strong reaction from veterans organizations; members received letters from these organizations and, in some cases, resolutions. There was also a strong reaction from the ladies auxiliaries. I have always been very fond of ladies auxiliaries of veterans organizations; they have always been very kind to me; I have always been able, so far as ladies auxiliaries are concerned, to arouse their fraternal and maternal instincts. They have me at their meetings and tell me what they think about this and other veterans problems. When you attend these branch meetings of veterans organizations, of Legions in my constituency in southeastern British Columbia, and the ladies auxiliaries meetings, you get a very good idea what the ordinary veteran is thinking on these questions.

Other organizations were concerned also; I received resolutions and letters from them. There were also a good many people concerned. It was quite a topic of conversation shortly after the minister's announcement. It created quite a lot of interest across this country, and since then we have received letters from veterans organizations, from other organizations and from individuals. I want to say, Mr. Speaker, that I have had a long association with veterans organizations and a long association with a large number of veterans. These organizations and these veterans are responsible; they have proven they are responsible throughout the years. The very veterans legislation that we have on the statute books of this country, known as the veterans charter, is the result of the representations made by veterans organizations, consideration by committees and consideration by governments. I am sure that as far as Canada is concerned there have been none of the excesses that have been experienced in the United States on some occasions.

I think throughout the years they can be credited with being very responsible indeed, because they are good Canadians. They have a sensible approach to many of these problems. Throughout the years we have had

quite unusual and unexpected problems develop with respect to veterans legislation owing to changing circumstances, changing needs, changing times and all the rest. These problems have all been met in a very sound and satisfactory manner. We found that amendments were necessary from time to time in the principles of legislation, the amounts of pensions, war veterans allowances and so on, and governments have responded to these representations because they knew they were valid.

Our first duty, Mr. Speaker, is to protect the veterans in this respect. Therefore, we insist, first of all, that the service to veterans must be maintained at the present high standard of service, both to veterans suffering from acute illness or from chronic illness. Mind you, we have the veterans of the first world war, many of whom are getting on in years, and in many cases they require treatment for chronic conditions. A few are acute cases. Then we have the veterans of the second world war, and possibly the acute cases will start to rise for some time now and later we will have to provide further care for those who become chronic cases. Then we have the veterans who served in the Korean war, who are few in number but are entitled to the same consideration and treatment; there are those who served in the Congo and Middle East; and now the veterans who are serving in Cyprus.

We urge, in the second place, that the Department of Veterans Affairs keep the ownership and control of the buildings and plant now in its possession. We suggest that where there are empty beds and it is possible to meet local requirements, arrangements be made with local authorities to lease wings or floors of these hospitals which are available so as to provide for such local need. That is an aspect of the subject which warrants consideration by the department, by veterans organizations and by the provincial or municipal authorities particularly interested. Therefore, in the third place, I think that this whole question should be referred to the standing committee on veterans affairs so that once again, in view of recent developments, we can hear the opinions of veterans organizations on this question.

Then, fourth, after the committee has met and has made its recommendations we suggest that there should be close consultation between the dominion command of veterans organizations and the Department of Veterans Affairs with regard to the whole problem. Then we will be able to lay down a general policy for the whole of Canada. Then, the department can meet with provincial or local branches to deal with any particular problem related to the area in which the branch is established. I have some experience, Mr. Speaker, of dealing with men in representing my community in various negotiations and so on, and I have found that if a problem is faced frankly and both sides express their opinions a sound, constructive and lasting solution can be produced.

And, last, after consultation between the veterans organizations and the Department of Veterans Affairs and agreement in principle is reached at the federal level with the veterans organizations, and agreement in greater local detail is reached at the provincial level, I am confident that if this question is tackled in the spirit in which we have been conducting the standing committee on veterans affairs throughout the years we can devise a policy, by agreement between the department and the veterans organizations, which will solve this question, protect the rights of veterans, and meet the needs of the future and the needs of changing times and circumstances. It is in that spirit that I appeal to the minister, and I am sure we will all look forward to his reply on a subject which I know concerns everyone in this house.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, as a result of the amendment moved by the hon. member for Winnipeg South Centre (Mr. Churchill), I will only say a few words about the organization of veterans' hospitals in Canada and about the government's decision not to relinquish its responsibilities but to entrust to others the duty of providing treatment to veterans.

We have much respect for veterans because most of them fought overseas. They served in the Canadian army and, personally, I remember that at the beginning and during the last war, Canadians were told: "Enlist in the Canadian army, fight for your country and you will never have any more trouble, and the conditions which led to this war will never recur. The government will look after you, your security and your family".

I knew various veterans who, when they came back from overseas or elsewhere, were bitterly disappointed to find out that the war once ended, the government, after having succeeded in obtaining an adequate fighting force, did not seem too interested in their welfare and in their security. Such attitude entailed much hardship for some who wanted to find employment. Indeed, I personally know able veterans who tried to find work in various government departments after the war. Of course, they were ready to give them a priority at the time, as it is still done today. But, on the other hand, the positions offered

were so "non-specific", if you will, and the salaries so inadequate, that veterans had practically no protection at all from the federal government.

Therefore, those veterans had to find employment elsewhere and later to launch another campaign, not of a military character, but an economic and industrial campaign to earn their living.

And little by little, physical troubles resulting from action on the battlefields or from their military service began to show, and the veterans who thought that they were in good health realized one day that they were suffering from ailments which they attributed to their military service.

It is quite possible, I admit, that those discomforts might have been caused by their military service or that their ills were aggravated by their participation in combat, or still that this physical condition went unnoticed when they enrolled for military service. But, the result was that veterans started to insist on getting medical care in veterans hospitals because they were unable to have their degree of disability recognized and because the pension they received was not high enough. That is why there are so many veterans hospitals today. As a matter of fact, there was a rather sharp increase in such hospitals after the war because a great number of veterans required medical treatment.

While in theory those veterans could get an increased pension which would enable them to keep staying at home, to use their family life to rehabilitate themselves or even make a greater contribution to civilian life, because of those various reasons they feel they must go to those veterans hospitals to have at least free medical services provided by the government.

That deplorable situation is the result of a system which developed out of various economic and political conditions, so that those veterans have to take advantage of the services offered to them by veterans hospitals.

I do not think the government is justified in maintaining such a large and expensive qualified personnel to take care of a number of veterans which may not be large enough. And personally, I see no objection to the government entrusting someone else with the hospital and medical function, providing it has the assurance that the veterans will lose absolutely nothing in terms of hospital efficiency.

On that score, I should like to quote from the release issued last month by the Minister of Veterans Affairs (Mr. Teillet). That statement made by the minister indicates very clearly the conditions which will have to be accepted before the federal government gradually withdraws from the administration of veterans' hospitals. Here is what the minister said, and I quote:

[*Text*]

At this point I would like to make it unequivocally and emphatically clear that no such agreements will be entered into by the government unless certain *sine qua non* conditions are met. These conditions, three in number, are as follows: First, accommodation for the treatment of service connected disabilities among veterans must be immediately available at all times, and treatment must be provided in accordance with standards prescribed by the Department of Veterans Affairs. Second, community institutions of acceptable standards must be available to look after the work load created by other classes of veterans, which means that such veterans will be able to obtain treatment in their own communities, near their own friends and families. Finally, satisfactory arrangements must be made for the continued employment of professional and other staffs now serving in our institutions.

[*Translation*]

What do we read, Mr. Speaker, in this statement by the Minister of Veterans Affairs? The veterans themselves, members of medical and hospital staff will not be prejudiced, because the department will make sure that this personnel will be sent where its services will be required. On the other hand, I think that the federal budget, for a definite period, will be relieved accordingly, since it is clear that there is at present a duplication of services which could be supplied somewhere else.

As I said, we must respect the rights of veterans to receive medical services. Also, we should not suggest that the staff was not efficient, on the contrary: the medical, hospital and nursing personnel in veterans hospitals is excellent; diagnostic and research facilities are excellent. However, there is a duplication of functions in most cases.

In my own riding there is a veterans hospital, l'Hôpital des anciens combattants de Sainte-Foy, and in addition there is a hospital section coming under the jurisdiction of the Department of National Defence so that we have the hospital services of the Canadian Army and those of the veterans administration. In both hospitals, or at least in one, university teaching is carried out, which means that this is an important hospital, fully equipped to render the services expected from it. This means also that the medical students of the area can take advantage of its services. However, I do not think that it is because of the fact that there are veterans in that hospital that students can receive such teaching; it is rather on account of its good organization, good maintenance and because the department heads are qualified.

However, since in the majority of cases we are dealing with chronic patients, or at least with patients requiring indefinite treatment,

it turns out, in the long run, even at the teaching level, that the cases found there have lost a lot of their importance for the students and the medical faculty.

That is why as long as the requirements set out by the Department of Veterans Affairs and the government are met in the hospitals, I am personally convinced that the veterans in my constituency will be well looked after and that they will get in a very short space of time and without delay the same treatment as before.

I am convinced also that the members of the medical, hospital, social welfare nursing staff will be able to keep on practising in other fields which will have been accepted by the Department of Veterans Affairs.

Personally, I am satisfied with such conditions and I believe that we should accept, in order to ensure greater efficiency, the new policy adopted by the Department of Veterans Affairs. I would not object either if it were submitted to the veterans affairs committee since that group was set up to study that department's problems. Everyone should have the opportunity to express his views, including members of national veterans' organizations and the Canadian Legion, for which we have great respect.

I feel that the main thing is to convince those who have contributed to the defence of our country and others that they can rest assured that we remember them and that, as we promised them before they joined up, we will never forsake them.

Mr. Real Caouette (Villeneuve): Mr. Speaker, I have just read the amendment moved by the Conservatives concerning the resolution under consideration.

In my opinion, the Conservatives who were in office not so long ago could have implemented then the measure they are now claiming for veterans.

We know that in the past, soldiers were given numerous tokens of appreciation when they were on the battlefields. We also know that on occasion promises, fairly often astounding, were made to them concerning the treatment they would receive on their return to Canada.

I remember that when members of the Canadian cabinet went to visit European battlefields 20 years ago, they told our soldiers: "Gentlemen, fight bravely. When you come home you will never again go through economic crises, you will never suffer from want in times of prosperity, never again will there be hardship in Canada. When you come back you will get adequate pensions and you will be given special treatment because you are now defending democratic freedom, you are fighting to preserve that freedom."

Mr. Speaker, our soldiers have come home but a large number of them, not to say practically all of them, write to us to protest against the treatment they get in Canada.

I would now like to ask the government to recognize veterans better than they have been since their return to Canada many years ago.

The official opposition moved this amendment, which I quote:

[*Text*]

This house deplores the announced decision of the government to abandon its responsibilities for the administration of veterans hospitals by assigning and transferring certain veterans hospitals to provincial or municipal control, and further deplores the failure of the government to accept the request of the Royal Canadian Legion and other national veterans organizations that the administration and control of the veterans hospitals remain with the Department of Veterans Affairs.

[*Translation*]

I believe that if the government decides to decentralize the veterans hospitals' administration, it is understood that it will assist the municipalities or provinces in providing the required treatments to veterans who need them.

In my opinion, veterans who live in a municipality of some kind find it easier to come to some agreement, to be heard, in short to make themselves understood by the authorities that are closer to them than by those which are too remote, such as the central government.

I think that it is right to favour veterans access to hospitals and that these hospitals be assisted by the municipalities as well as by the provinces which will be able at the same time to help the veterans.

Therefore, we agree that this is an excellent initiative on the part of the government, that it will benefit the veterans who, from now on, will get better treatment.

Should abuses be committed, should the veterans feel they are being ill-treated or molested in any way, either by provincial or municipal authorities, the federal government can always intervene through the Department of Veterans Affairs to see that our veterans are respected and are given all facilities for receiving proper treatment whenever the need arises.

[*Text*]

Mr. C. W. Carter (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, it has always been the tradition of this parliament to deal with veterans problems and matters affecting the welfare of veterans in a non-partisan manner. Certainly, during

the 15 years I have been a member of this house I have never known any want of confidence motion seeking to divide the house on any matter pertaining to the welfare of veterans. I must confess that I am a little disappointed at the departure involved in the amendment which we have before us this evening. I am sure all hon. members subscribe to the philosophy that human beings are the most important things in this world. When we come to that particular class of human beings who have served their country, have fought, bled and sacrificed their limbs, I am sure we all feel that they should be placed in a preferred class. Next to them in preference would be their widows, orphans and dependants.

The objective of policy pertaining to veterans affairs over the years has been to find what is the very best that can be done for the veterans. This has been the objective of policy no matter what party has been in power. I feel sure that that objective remains today the very same as it has been down through the years.

When the first great war produced casualties Canada, as a grateful nation, assumed certain obligations toward her veterans. One of those obligations was treatment services. Those treatment services were, first, to repair as much as possible the ravages of war and, second, to provide medical treatment to the veterans for their disabilities resulting from service as long as they lived. This treatment commitment was written into the law for two specific groups of veterans. One group, of course, was the disability pensioner; the other group was the war veterans allowance recipient.

Now, some may hold the opinion that the disability pensioner has a stronger claim or perhaps a greater entitlement than the war veterans allowance recipient. Today, when we have more advanced knowledge of the effects of stress and tension, that theory may not stand up too well. But be that as it may, under the law both have the same entitlement. The law applies equally to each and imposes the same obligation on the government to provide treatment to each group of veterans.

In discharging these commitments this or any government is faced with certain problems. At present, and looking to the future, the chief problem appears to be the ability to maintain an adequate standard of treatment service. The hon. member for Winnipeg South Centre (Mr. Churchill), who moved the amendment, admitted that this problem exists, so there is no reason why time should be used in belabouring that point.

However, in seeking for a solution to this particular problem we must face certain basic factors as they present themselves to us at present. These factors may change over the years, but at present we must deal with them as we find them and as they are presented to us by our experts. The first of these basic factors is the shortage of doctors. I do not think there will be very much disagreement on that point. There is hardly any province that has an adequate supply of doctors. In fact in my own province the shortage is so great we have to try and induce medical men to come over from Great Britain and European countries.

The second basic factor that cannot be ignored is the class of patients who have to be treated. At present, and for some time past, 70 per cent of the patients being treated in veterans hospitals are war veterans allowance recipients. This situation will continue for a good many years, and the longer it continues the longer it will carry with it another problem, namely the increasing number of veterans requiring chronic care.

The third factor that must be considered is our constitutional position, because health services are really a provincial responsibility, and we know from experience that many provinces do not take kindly to the federal government encroaching on provincial prerogatives. We cannot ignore these three basic factors, and any solution we may find must take them into account.

I know veterans may say, "Why don't we open the doors of our veterans hospitals to civilian patients?" I think most veterans would be happy if that solution could be adopted, but we have advice that it is not quite that easy, and therefore we cannot brush off this constitutional position in which we find ourselves.

These factors I have mentioned vary in different parts of Canada and, not only do they vary, but there are other factors which vary as well. Consequently, as the minister has pointed out on many occasions in the house, there can be no over-all solution. We must take each problem, each situation separately, and work out a separate solution in the light of what can be accomplished under the prevailing circumstances.

The minister has made it clear that in seeking solutions certain guide lines will be followed and certain principles adopted to safeguard the interests of the veterans. He will be dealing with this tomorrow in more detail, and there is no need for me to take time now to develop this particular point.

There seems to be an idea abroad, and it is implied in the amendment before us, that the government intends to turn over all of its hospitals, in a wholesale manner, to non-D.V.A. agencies. Certainly that is not the situation as I understand it. On many occasions the minister has said that we would

have to deal with each case on its merits and at no time, to my knowledge, has anyone said that all the hospitals are going to be turned over to non-D.V.A. agencies.

Mr. Woolliams: Would the parliamentary secretary permit a question? Will he name the hospitals that are going to be turned over?

Mr. Carter: No, Mr. Speaker, I am not in a position to do that. The minister has told the house on several occasions that we have only one specific case before us at the moment, and that agreement on it has not yet been finalized.

The hon. member for Winnipeg South Centre referred to the recommendations of the Glassco commission and stated that he did not like the approach which the commission took to this problem. I think we can agree with him there because, fundamentally, the Glassco commission was set up to investigate ways of effecting economies in government departments.

There is no doubt that they approached this problem from that point of view. I began by saying that according to my philosophy human beings are the most important things in the world, and to effect economies at the expense of human beings is repugnant to my personal feelings as it is, I am sure, to other hon. members, particularly when those concerned are veterans. Still, we must face the fact that the problem still remains. We have two possible courses to follow. One is to do nothing about the situation and let it deteriorate to the point where we cannot get the doctors we require to provide the standard of service which we are obliged to provide for veterans—to let things go until it is too late to find an effective remedy. The other alternative is to explore possible solutions in the light of the circumstances and of the various factors which have to be taken into account.

The amendment deplores what it calls the announced decision of the government to abandon its responsibilities in this regard. That is the key phrase of the amendment. I think it should be very clear that, far from abandoning its responsibilities, the government is doing the very opposite. The government has the responsibility, by law, as I pointed out, of providing the best possible service for veterans, disability pensioners and W.V.A. recipients. That is what the government intends to continue to do. It cannot provide that standard of service if it cannot get the doctors who are needed to carry it out. This is what most people tend to overlook today. There is a great tendency to concentrate on the shortage of hospital beds and to think of the solution in terms of providing more and more hospital beds. But hospital beds alone provide no solution; they are of very little use if we cannot get the professional men to provide the required treatment, and that is all the government is trying to do—it is trying to find some means of making sure that the veterans will always get the best standard of treatment available. This is the very opposite of what the amendment implies.

The hon. member for Kootenay West (Mr. Herridge) made a very strange remark. He said he agreed in principle with this amendment. But he did not say he agreed with the substance of the amendment.

Mr. Herridge: I said that if we had worded it, we would have worded it somewhat differently.

Mr. Carter: I am not concerned with that. I am concerned with the fact that the hon. member said he accepted it in principle.

Mr. Herridge: Quite.

Mr. Carter: I find it very difficult to make a distinction. You cannot separate the principle from the wording of this amendment. You cannot isolate the principle, and agree with that, without agreeing with the rest of what the amendment says.

Mr. Herridge: The principle of the best possible care for veterans.

Mr. Carter: We all agree about that. There is no disagreement as to the necessity of providing the best possible care for veterans. If the hon. member is in favour of that, he will vote with the government.

One solution to this problem which seems worth exploring is to work out agreements with non-D.V.A. agencies, and the minister has made it clear on several occasions that such agreements will be worked out only when necessary and that they will only be put into effect if it is certain that the interests of the veterans have been adequately safeguarded. That is an important limitation and it certainly destroys any statement or implication in the amendment that the government is abandoning its responsibilities. In fact, the government is seeking to find ways and means of discharging its responsibilities, and of doing so the best way possible.

I think we realize that this is a highly emotional subject as all matters pertaining to people must be, particularly when they affect the welfare of a group of people such as veterans. I submit that it is not in the best interests of the veterans themselves to make this a matter of partisan controversy.

Mr. Herridge: I did not do that.

Mr. Carter: No, I am not blaming the hon. member. But that is what the amendment

does. We are not serving the best interests of the veterans when we take a rigid position, dig in our heels and try to defend it at all costs. Rather, I feel we should seek out together the best solution to this problem, taking into account all the factors that must be considered. I am sure that if the official opposition or any of the veterans organizations could suggest a better solution in the light of all the facts, their representations would not go unheeded.

Mr. Eldon M. Woolliams (Bow River): I rise to support the amendment, representing as I do the constituency of Bow River which embraces part of Calgary. I do so mainly on the grounds of the situation with respect to the Colonel Belcher hospital. May I say I feel certain that a very distinguished soldier who also represents a Calgary riding, the hon. member for Calgary North (Mr. Harkness) will probably have something to say with reference to this matter because he, along with myself and others, is among those who have put questions to the minister from time to time without getting information.

I should like first of all to mention something which was said by the previous speaker. The hon. member for Burin-Burgeo (Mr. Carter) said it was regrettable that we had moved such an amendment, because we had put the veterans into the realm of politics. I say to him that never before has a government put the veterans in such a position as they now find themselves. We had to put them into the realm of politics. I invite the minister to read the telegrams which I have received on this subject from various Legion branches and their members, asking that we speak up for them on this occasion. They come from Banff, Acme, Bowness, Bassano, Calgary, North Calgary, Calgary west end branch, Calgary Ogden, Calgary T.V.S. branch, Canmore, Carbon, Carstairs, Cochrane, Cremona, Crossfield, Didsbury, and Drumheller. Most of those places are in the constituency of Bow River, although some of the Calgary Legions mentioned are in the constituency of the hon. member for Calgary North (Mr. Harkness). You only have to look at the telegrams to see how seriously worried and concerned the veterans are with regard to the decision about to be made by the government in this regard.

I think the first question to ask is, why is this decision being made? The last speaker referred to the Glassco commission. In various debates many hon. members have referred to the Glassco commission, and I think we should clarify one point now. It is that all royal commissions are set up to investigate the facts. Once the facts as presented by a royal commission are before the house governments make decisions from those facts and we are able to obtain the proper facts in a debate of this nature. When the Glassco commission was set up there was no thought that everything Mr. Glassco and his commission said in the three or four volumes prepared by them would be adopted by the Conservative government or any other government. There have been some wonderful recommendations, but some recommendations would not be adopted by any government. This is one recommendation that we say should not have been adopted. Immediately report No. 3 came out the hon. member for Winnipeg South Centre (Mr. Churchill) outlined the stand our leader took at that time. He stated categorically that was one recommendation that would not be adopted, that there would be no interference with the administration or control of the veterans hospitals. Of course, this also concerned the Colonel Belcher hospital. I believe the hon. member for Winnipeg South Centre was minister of veterans affairs at that time. So the veterans at that time, immediately the report was prepared and filed in the House of Commons and became a public document, knew where they stood as far as the Conservative government was concerned. Now they are not too sure where they stand with the present government. This is the very reason the matter is now before the house in this debate.

After all, Mr. Speaker, we have only to look at the telegrams to see that the veterans are confused. We have continually asked questions of the minister, "What are you going to do. What negotiations are being made? Are you negotiating? Are you negotiating with the government of Alberta? Are you negotiating with the city of Calgary?" The house will see that the answers are far from clear, and I will read them shortly. The answer was always, "Well, if anything happens we will let you know about it". The Prime Minister today made the statement that they now believe in the system of open diplomacy. If this is open diplomacy, it is a strange kind of open diplomacy because everything so far has been done behind closed doors. Perhaps we will get a statement in the future. This is what the veterans are concerned about. If in this connection the doors are closed in the future and they cannot raise their voices in this regard, it will then be too late to speak up. That is the reason we have this debate this evening, and it will go on tomorrow.

The next question is, why has this situation arisen as far as the Colonel Belcher hospital is concerned? Press reports leave the impression that there are empty beds in the Colonel

Belcher hospital and it is not serving its purpose. But this is the real story in the province of Alberta. We have to face it, and I am very happy to see the hon. member for Calgary North in his place tonight, because he has been so interested throughout in this matter, as I have; but I am disappointed to see that the hon. member for Calgary South (Mr. Hays) has failed to say a word on this matter and is not in his place, and probably will not be in his place for the whole of this debate. I am sorry he has not shown an interest in this matter, because it affects the city of Calgary and particularly his own riding.

Some hon. Members: Shame.

Mr. Woolliams: What is the situation? There is definitely a shortage of beds in the hospitals in the province of Alberta. Let us look at what has happened in the last few years. We heard a great deal today about increasing the amounts of money to the provinces. In fact, that discussion went on for two and a half hours today. Let us look at what the Conservative government did in this regard. I hope the hon. member for Red Deer (Mr. Thompson) is listening to this. In 1958-59 the federal government contributed to the hospitals in Alberta $8,774,575; in 1959-60 that jumped to $15,698,000; in 1960-61 it jumped to $16,905,000; in 1961-62 it jumped to $25,784,000. In other words, the grants to the hospitals in the province of Alberta, under the Conservative government, jumped from $8,700,000 to $25,700,000. You might say we tripled the amount of grants. What took place in that time? Let us look at the contributions in reference to construction during those years. In 1958 the federal government contributed to the province of Alberta $4 million. I shall read these items. This was in reference to crippled children, professional training, hospital construction, mental health, tuberculosis control, general public health, cancer control, laboratory and radiological services, medical rehabilitation, child and maternal health. This all added up to $4 million. In 1959-60 this amount increased to practically $4,200,000. The most important and the largest figure in that regard was in construction, which figure was $1,640,000. So you have there the contributions made in 1960, 1961, and 1962.

What took place? I represent part of the city of Calgary, and part of the problem that faces Calgary in this connection is a shortage of beds. During that time, in order to measure up to its responsibility, the Conservative government in the five or six years it was in office tripled the contributions to the hospitals in Alberta. But I must say, and I say this in a critical way, that the hospital facilities did not triple in that regard. I say this, with respect, to the hon. member for Calgary South. We come from the same city. He was mayor of the city of Calgary; he knew the problems at that time, and certain recommendations were made at the time he was mayor. This is why he should be here tonight, because he failed to heed those recommendations. Therefore in the city of Calgary you have a very chronic situation as far as the shortage of beds is concerned. And with that situation, the pressure goes on. Where does the pressure go on? It has gone on the Minister of Veterans Affairs; he has succumbed to the pressure and it would seem now that they are going to transfer the Colonel Belcher hospital over to the provincial government either in an administrative way, or control all the way, or to the city of Calgary.

Yet when we rise in our place to ask questions or debate the situation, what kind of answers do we get? I will read some of these questions and the answers we received. The questions go back to February 20, 1964, and to this date, two months later, we do not know what the situation is. I say to the minister that it is up to him, in his capacity as minister of this department, and not through one of his members, to get up and clearly state what is the situation; how far the negotiations have gone; what went on behind closed doors; what offer has been made; what is going to happen to the veterans of southern Alberta; what consideration has been given to the representations made in the 20 or so telegrams I have received from Legions in southern Alberta. This is his responsibility. We would not be having this debate in the House of Commons at this time if answers had been given to these questions. I doubt whether we will receive answers to them even now, when we place these facts before the minister and ask for answers to our questions.

Let us see what has happened. Let us look at the wishy-washy answers that have been given to the direct questions we have asked in this regard? One of these questions was, "Is this matter going to be referred to the standing committee on veterans affairs?" What did the minister say in answering that question? He said, "Before any decision is made, before the final negotiations are concluded, the committee will have a chance to look into this matter". Is he going to break his word to the members of the House of Commons; is he going to break his word to the committee? This is another case where they have open diplomacy behind closed doors; and when they want to get a big press, they bring it out and call it diplomacy in front of the doors. This is the problem.

Here is the question put by the hon. member for York-Sunbury (Mr. MacRae).

Mr. Teillet: Would the hon. gentleman give me the page?

Mr. Woolliams: Yes; page 40, February 20, 1964. This question was asked by the hon. member for York-Sunbury:

Mr. Speaker, I have a question for the Minister of Veterans Affairs which is based on statements made yesterday by his deputy minister and also his assistant deputy minister, concerning veterans hospitals. Would the minister advise the house, and especially the one million veterans of this country, the intention of the government regarding the transfer of the Department of Veterans Affairs hospitals from federal to provincial or local control?

Now, this is the kind of answer we got:

Mr. Speaker, because of the general shortage of hospital beds throughout the country we have had several proposals from a number of authorities, provincial, municipal and university, to assist in the solution of this problem. I think all hon. members will realize the inherent difficulties in these proposals.

We know the difficulties; we want the facts. Then the minister goes on with the same wish-washy statement. I think we might as well come to grips with the problem. Let us not mess around with the situation. Then I asked the question:

Does this policy apply to the Colonel Belcher hospital in Calgary?

I asked that question because I had been home to Calgary and had been told that negotiations were going on. But we could not find that out in the House of Commons; we had to find it out on Eighth avenue in Calgary.

Mr. Teillet: Read the whole thing.

Mr. Woolliams: Yes, I will read it, and the more I read the worse it gets and the worse you will feel. I continued:

There were some press reports that a decision had already been reached in regard to that hospital.

That is another point. The press had said that a decision had already been taken. This is the minister's answer; it is very clear:

I can assure the hon. member that no decision has been taken. However, we are examining a proposal received from the city of Calgary.

Then the hon. member for Kootenay West (Mr. Herridge) asked this question:

In dealing with this question is the minister taking into account the recommendation of the veterans affairs committee that before any decisions are made in this respect the veterans organizations should be consulted?

Now, Mr. Speaker, this is what I like about this answer of the minister; for once he was definite. His answer was "Yes".

Therefore, my first questions to the minister in this debate are: Is he going to refer this matter to the standing committee on veterans affairs before the decision is reached? Is the committee going to be told about the negotiations which have taken place? Is the committee going to be let in on those negotiations? Are the veterans going to know the facts before the minister comes outside the door and says that this is open diplomacy, after we have had the diplomacy behind the closed doors?

Now I move on, Mr. Speaker, to page 625 of *Hansard* for March 6. This question was put very clearly by the distinguished member for Calgary North (Mr. Harkness). He said:

I have a supplementary question, Mr. Speaker. Before any change in policy in regard to the operation of the veterans affairs hospitals is decided upon, will the minister, as I requested some two weeks ago, submit this whole question to the veterans affairs committee of the house for examination and advice?

The reply of the minister was:

Mr. Speaker, I will have to take that into consideration—

He had begun to waffle and wiffle—

—before I can answer my hon. friend.

That reply was given on March 6; but back on February 20, before he started to waffle and wiffle and had had a discussion with some of his colleagues as to what was going to happen, he had replied "Yes, Mr. Speaker". He had given an undertaking at that time to place the matter before the committee. Why did he waffle and wiffle on March 6, 1964?

Mr. Teillet: On a point of clarification, Mr. Speaker—I am sure my hon. friend does not want to mislead. If the hon. member will read these questions carefully he will find that they deal with two separate matters; one, the veterans organizations, and the other the veterans affairs committee.

Mr. Woolliams: I will re-read page 625; it will take me a little longer but we might as well have the facts. The minister was asked whether the whole question would be referred to the committee before any change in policy in regard to the operation of the veterans affairs hospitals is decided upon, and to me his answer was very clear. The Colonel Belcher hospital is a veterans affairs hospital. The minister answered yes to the question in February, and I say that on March 6 he wiffled and waffled. If he has not, then I hope he will let us into the inner sanctum and let us know what went on in Calgary and what negotiations are going on.

Mr. Teillet: There is no mystery whatever.

Mr. Woolliams: Let us see what the minister said, as reported on page 933, March 16, 1964. Again the hon. member for Calgary North asked this.

Mr. Teillet: What page is this?

Mr. Woolliams: Page 933. I have all the questions and answers and I will send the minister a memorandum when I am through. The hon. member for Calgary North asked:

I wish to direct a question to the Minister of Veterans Affairs. Can the hon. gentleman now answer the question I have asked him two or three times over the past several weeks? Will the government refer the whole question of the operation of veterans hospitals to the veterans affairs committee for an examination by that body and a report on the change of policy?

Now here is the minister's answer; let us now decide whether he wiffled and waffled on this occasion:

Mr. Speaker, this question was considered by the veterans affairs committee. It made a recommendation which I have adopted and followed. There is difficulty in making a statement in general terms at this time, because we will have to deal with each hospital according to its own circumstances, and some of them we may have to retain. I am not at all certain it will be possible to submit each case to the committee. There is one thing I have undertaken to do according to the recommendation of the veterans affairs committee, and that is to engage in consultation with the veterans organizations involved.

Now he has gone one step further. First of all he said that he would submit the question to the committee. On this occasion he says, speaking in general terms, that each hospital must stand on its own feet. He does not know whether he can do it; but one thing he will not do is to make a decision without consulting all the veterans organizations in the country. From the file which I have built up in the last month it is clear he has certainly not consulted any organizations in the city of Calgary or any in southern Alberta.

Mr. Winkler: Or anywhere in Canada.

Mr. Woolliams: Yes, that is absolutely correct. Then the hon. member for Calgary North, as reported at the same page, asked this question:

A supplementary question, Mr. Speaker, in connection with Colonel Belcher hospital. Is the minister aware that when the matter was referred to the veterans bodies in Calgary they were universally hostile to the idea?

This is the reply of the minister:

Mr. Speaker, my information is that they were not universally hostile to it.

I have not time to read all of this, Mr. Speaker. I mentioned the 20 telegrams I have received, and if that is not hostility which the minister is receiving, I do not know what is. As far as the veterans are concerned, I would say that they are opposed to this transfer of the control of the Belcher hospital to the province or the city of Calgary, and they are against losing their rights to use that hospital when the need arises.

Let me come back to where I started. The fact that we are short of beds in Alberta is not any fault of the veterans. Neither is it the fault of the former Conservative federal government. It is the fault of the provincial government in the province of Alberta or the fault of the city of Calgary, because their grants were so substantial that they should have had enough beds per thousand of population to serve the people in the province. For this reason I expect a little wiffling and waffling from members at the other end of the chamber, because they realize the problem in Alberta is the responsibility of the provincial government; and I say tonight that they have not measured up to that responsibility.

Now let us see what was said on March 26 last, as reported at page 1497 of *Hansard*. I am missing quite a bit in between and just referring to the highlights—what I would call the tidbits. The hon. member for Winnipeg South Centre (Mr. Churchill) asked the minister this question:

I should like to ask the Minister of Veterans Affairs if he has now given an answer to the Royal Canadian Legion, who requested that he discontinue immediately all action on the proposed handover of D.V.A. treatment facilities to other levels of government.

What is the minister's answer?

I have not yet replied to the letter.

The hon. member for Winnipeg South Centre goes on:

Will the minister give an assurance to this house that no hospital under the control of the veterans affairs department will be transferred to other authorities until the matter has been discussed and approved by parliament?

Then the minister started to talk about things being involved. He said:

This is quite an involved question.

Of course it is involved. I will tell you why it is involved. It is involved because the government is afraid to say to the veterans at this time and was particularly afraid to do so on March 26 that they have already made a deal as far as Colonel Belcher hospital is concerned. They wanted to delay it until a time when they could say: We now have the doors open for this open diplomacy policy, after they were 30 days behind the doors. In the last 24 hours they come out and say: Now we are disclosing it; we have had open discussions.

Mr. Deschatelets: Crocodile tears.

An hon. Member: The same as the pension plan.

Mr. Woolliams: It is the same as the pension plan. I was thinking of that. You took the words right out of my mouth.

Mr. Deschatelets: Read the answer now.

Mr. Woolliams: This was the question:

Will the minister give an assurance to this house that no hospital under the control of the veterans affairs department will be transferred to other authorities until the matter has been discussed and approved by parliament?

The minister replied:

This is quite an involved question. I do not know that I can reply to that directly.

Of course he could not. He was afraid to reply because he had had his officials in Calgary and he himself had been in Calgary and he knew what was going on. The ink was not quite dry. They had not tidied up some of the little points. That is why it was difficult. Why did he not take the House of Commons into his confidence and say: We are trying to make a deal as far as this hospital is concerned; we intend to transfer it to the province or we intend to transfer it to the city of Calgary but we have not closed the deal. Then the veterans would have known where they stood. The big problem today is that they live in fear. They do not know where they stand. I say to the minister: If this debate does nothing else but smoke him out it will have served its purpose.

Mr. Teillet: Read *Hansard* further.

Mr. Woolliams: Page 1544 on March 30 is interesting. This was when the Prime Minister came into the picture and he certainly wiffled and waffled. He certainly cut down the words of the minister and I suppose that may be a part of the reason why the minister is a little nervous and concerned and finds the question very involved and difficult to answer. He said that a deal had been made, but the Prime Minister said there was no deal made. We do not know what the facts are to this date.

Mr. Teillet: Where did he say that?

Mr. Woolliams: I am going to read from page 1544. This again is a question by the hon. member for Winnipeg South Centre (Mr. Churchill):

Mr. Speaker, I should like to ask the Prime Minister whether radio reports are correct that the government is now in full retreat from its announced intention to transfer the veterans affairs hospitals to other levels of government.

Now the Prime Minister comes into the picture. For three months or more this diplomacy was going on behind doors, but when they want to get a little publicity and make headlines they come out in front of the doors. The Prime Minister said: "No, Mr. Speaker". Then the Leader of the Opposition (Mr. Diefenbaker) said: "Just partially". Then the hon. member for Middlesex West (Mr. Thomas) said:

I should like to direct a question to the Prime Minister supplementary to that of the hon. member for Winnipeg South Centre. Can the Prime Minister assure the house that if arrangements are made to let other interests use some of the hospital beds now under the control of the Department of Veterans Affairs, the actual control of these hospitals will be left with the Department of Veterans Affairs?

The Prime Minister replied:

I think it would be the intention, Mr. Speaker—

He does not say it will be the intention; he thinks it would be.

—that the hospitals be left in the control of the department.

I do not know whether the veterans are so concerned about that proposition. If control remains in the Department of Veterans Affairs, but the use of the hospitals for treatment purposes is made available to the provinces, I do not think the veterans are concerned about the word "control" in that sense. They want to retain control of this hospital for the use of veterans in southern Alberta and in the city of Calgary, not control in the sense that the department has title only to the hospital but has leased it to the province for the use of other people for the next 25 years.

There is the confusion, Mr. Speaker. There is the reason that the veterans are sending telegrams to all members of parliament asking them to try to smoke out the minister, find out what he meant by his statement, whether the Prime Minister meant what he said or whether the Minister of Veterans Affairs has contradicted the Prime Minister. We do not know what the policy is; it is so mixed up. The minister will come out with a statement wrapped up in beautiful language. That is what they call open diplomacy.

Mr. Deschatelets: Hear, hear.

Mr. Woolliams: There is one thing I always like, a good chorus to a well played tune. The Prime Minister said:

I think it would be the intention, Mr. Speaker, that the hospitals be left in the control of the department.

Then the hon. member for Winnipeg South Centre asked this question:

Mr. Speaker, I should like to ask the Prime Minister to clarify two conflicting answers he has given this afternoon. He indicated to me that the veterans hospitals would be transferred to other authorities, and he indicated to the hon. member for Middlesex West that it was not the intention of the government to do so. What is the situation?

Now he has smoked out the Prime Minister. The Prime Minister replied:

Mr. Speaker, my hon. friend has misinterpreted my answer to him, as I think he will find out when he reads *Hansard*.

I have read *Hansard,* Mr. Speaker; I have read it aloud in the House of Commons and I challenge anybody to say from that answer of the Prime Minister or from his answers on other occasions what the situation is. What is the policy? Is it to sublease these hospitals, to transfer them to the provinces or, in the case of Calgary, to transfer the hospital to the city of Calgary? The hon. member for Calgary South (Mr. Hays) should be in his place and should be concerned about the veterans of Calgary tonight. He should be the man to speak for that section of his constituency where the Colonel Belcher hospital is situated.

This is the situation. We have the Prime Minister saying one thing and the Minister of Veterans Affairs saying another thing. The Prime Minister says he does not think we are really going to transfer these hospitals and give title to the provinces. I take it from the answers of the Minister of Veterans Affairs which I have read that, not only are they going to give control to the provinces, but they are going to have the right to use them. What is the situation? This amendment has been moved because we have been asking for answers to our questions and have not received them.

I think the federal government should say to the province of Alberta: If you are in difficulty, like other provinces, with regard to a shortage of beds then it is your responsibility because since 1958 you have received $86 million from the federal government by way of assistance with regard to one category or another of hospitalization. If there is a shortage of beds it is the responsibility of the province. It is particularly their responsibility to complete University hospital in Calgary, where the steel structure has been standing unfinished for several years. Let us exert some pressure on the province to build that hospital. Then the province will not have to take over the veterans hospital.

I see it is now ten o'clock, Mr. Speaker.

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, could we be told by the acting house leader what the business will be on Wednesday?

Mr. Benidickson: Mr. Speaker, I think that could be made known tomorrow.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX

DOMINION-PROVINCIAL RELATIONS—LETTER FROM PRIME MINISTER TO PROVINCIAL PREMIERS

Ottawa, Ontario, 16 April, 1964
CONFIDENTIAL

Dear Premier,

Since the conference in Quebec city at the beginning of the month my colleagues and I have carefully reviewed the problems that were discussed there.

At the conference I reaffirmed what I had said at our previous meeting in November: the federal government fully recognises the increasing burden of provincial responsibilities. This is especially true, as many premiers have emphasized, of education. We all agree that, with our increasing population and with the effect of advancing technology in requiring higher levels of knowledge and skill in more and more jobs, the improvement of educational facilities is a priority need of the country. Our taxation arrangements should recognise such priorities. This means, as I have said, that in order to meet the needs of the people as effectively and economically as possible, the range of tax resources available to the provinces should be increased.

It was in this spirit that, at the November conference, the federal government undertook to make changes in the fiscal arrangements which would otherwise have operated in the current fiscal year, 1964-65. These arrangements resulted in increased revenues to the provinces of $87 millions.

In the same spirit, in spite of our own financial needs, the present government agrees that the arrangements for the following years, which were made in 1961, are inadequate.

I therefore proposed at the Quebec conference that we should jointly undertake a review of the nature and extent of federal and provincial taxes in relation to the financial responsibilities which nowadays have to be carried by Canada and the provinces. This is intended to be a thorough review, which must take into account the findings of the various royal commissions and other inquiries into taxation which are under way at present. It therefore cannot be hurried.

On the other hand, as we said in the communique of the Quebec conference, the tax structure review should not prejudice the early solution of financial problems. After reviewing what was said at the conference, the federal government has come to the conclusion that it would not be in the best interests of the country to wait for the results of the joint review, or for the end of the present five year fiscal arrangement, before indicating to provincial governments the scale of the additional tax abatements and equalization payments which we are prepared to place at the disposal of the provinces in future years.

The scale which the government is prepared to recommend to parliament, in due course, is equivalent to an additional abatement of the federal personal income tax of 2 per cent commencing in January 1965 and a further 2 per cent commencing in January 1966, in addition to the increases at those dates already provided in our law.

The other major topic discussed at the federal-provincial conference was pensions. Two features of this discussion seemed to me especially important.

One was that the Quebec plan, as outlined to the conference and since made public, was in most respects not greatly dissimilar from the federal plan.

The second feature of the discussion was the general sense, expressed particularly clearly by the premier of Ontario, that it is important to the unity of our country that our pension arrangements across the country should not set up obstacles to the movement of people, and therefore should be national in character.

It therefore seemed to me that I would be acting in the spirit of the conference if I explored to the fullest extent whether the two plans which have now been framed—the federal plan and the Quebec plan—could be brought together.

I am very happy to report that discussions with the government of Quebec during the past two weeks have shown that this is possible.

Under the proposal which I now wish to put before you, and in which the government of Quebec concurs, the federal government would propose to parliament legislation which would establish a Canada pension plan and provide that any province which so wishes may take full responsibility for applying the plan to everyone employed in that province. Such a province would pass its own legislation to enable its government to administer

the plan in every way, collecting the contributions, investing the funds and paying the benefits.

Alternatively, in provinces wishing the federal government to administer the plan, the legislation would provide that the funds arising from the pension plan should be available to the provincial governments for investment. They would be divided among provinces in ratio to the pension contributions from residents of each province. The provincial government would be required to guarantee to the pension fund a rate of interest at least equal to the rate on long term federal securities.

As part of this plan, the government of Quebec would be willing to support a constitutional amendment, to which other provincial governments have already agreed in principle, enabling the federal plan to provide benefits to widows, irrespective of age, to orphans and to disabled contributors.

The federal proposal, concurred in by Quebec, would provide that pensions should be 25 per cent of earnings up to $5000 a year. This limit would be adjusted, as would the earnings on which benefits are based, in accordance with changes in average earnings averaged over a fairly long period. Benefits in payment would be adjusted to changes in the cost of living, subject to a maximum increase of 2 per cent in any year.

The transition period proposed, before pensions reach their full rate, would be ten years.

Pensions would be paid on retirement from age 65, but up to age 70 would be subject to reduction if earnings exceed specified levels.

Contribution rates would be designed so that the average rate is 1½ per cent each, for employer and employee, at the average level of earnings. This might be achieved by providing that there would be no contribution in respect of earnings up to $600 a year, and a rate of approximately 1.8 per cent would be paid on earnings above that level, up to the $5,000 maximum.

The contribution rate for self employed people would be the combined employer-employee rate.

Coverage would be compulsory for employees with salaries exceeding $600 a year and for self employed people with earnings exceeding $1,000 a year. Self employed people earning between $600 and $1,000 might participate voluntarily.

I believe that these proposals are a satisfactory combination of the two plans which have been worked out in detail. I therefore put them forward for your comment. The federal legislation will then be prepared in the light of the views expressed by you and the other provincial premiers. We are concerned to do this as soon as possible.

The federal government hopes to proceed shortly with legislation providing for the extension of family allowances to children who, either because they are not physically fit to work or because they attend school, remain dependant at the ages of 16 and 17.

Because the province of Quebec has an existing program of a similar nature, these extended allowances will not be paid to Quebec residents. Instead, there will be a compensatory fiscal arrangement similar to that which exists in the case of university grants.

In the light of the comments made by provincial governments at the Quebec conference, the federal government intends to propose arrangements whereby guaranteed bank loans for university students would be available in each province up to a defined amount to students designated by such agency as the province authorizes. If any province prefers to rely on its own loan program, it will be able to receive equivalent compensation.

The various proposals in this letter are made by the federal government in the belief that they will help to unify the country. I know that all provincial governments share my belief that the wishes of all Canadians can best be fulfilled within a federal structure, so that the rights of the provinces are exercised not to the disruption but to the enhancement of the unity of Canada. In that spirit, I hope you will consider these proposals sympathetically and let me have your views at an early date.

L. B. Pearson

HOUSE OF COMMONS

Tuesday, April 21, 1964

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRIME MINISTER OF TRINIDAD AND TOBAGO

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to call your attention and the attention of members of the house to the presence in the Speaker's gallery of the right hon. Prime Minister of Trinidad and Tobago, Dr. Williams, members of his cabinet, the high commissioner and staff members.

I am sure all members of this house will wish to give the warmest possible welcome to Dr. Williams and his party.

Some hon. Members: Hear, hear.

Mr. Pearson: We welcome the Prime Minister, not only as prime minister but as one who has achieved great personal distinction in the fields of scholarship, of education and international service as well as politics. We welcome him as the dynamic leader of a new, dynamic free state in the Caribbean and in the commonwealth of nations. Canada has long had warm and friendly contacts with Trinidad and Tobago and with the British Caribbean colonies, some of which are now independent states in the commonwealth, and it is our policy to strengthen those contacts in every way possible. I believe that the visit of our friends from Trinidad and Tobago will be helpful in that respect.

I hope their stay in Canada, though short, will be a pleasant one. I am confident that it will promote even closer co-operation between our two countries in the commonwealth of nations.

Some hon. Members: Hear, hear.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I join the right hon. Prime Minister in welcoming the right hon. Prime Minister of Trinidad and Tobago. Indeed, it is rather an unusual occasion when two members of Her Majesty's privy council welcome a third member on Her Majesty's birthday. It emphasizes something of the importance, alluded to by the Prime Minister, of the commonwealth relationship.

Indeed, as one who through the years has been an avowed follower of the commonwealth principle, it is well that prime ministers of various parts of the commonwealth should meet together. I was attending the prime ministers' conference when the right hon. Prime Minister of Trinidad and Tobago made his initial appearance there. He is one who has given outstanding leadership in his country; one who all of us are proud to recognize as a leader of one of the newer members of the commonwealth and one of the older in the old empire. He comes with a mission, one that will receive the support of Her Majesty's Loyal Opposition. We believe that the commonwealth should be strengthened in every way possible and that every assistance that the older members of the commonwealth can give to the newer members to start them along the road to economic strength will be acceptable to all members of the commonwealth.

I join with the Prime Minister in welcoming not only Dr. Williams but also the members of his cabinet who are with him. Through you, Mr. Speaker, I wish to assure the people of Trinidad and Tobago that the Canadian people are proud to be associated with a nation with so traditionally fine a democratic history.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of this party wish to associate themselves with the remarks of the Prime Minister and the Leader of the Opposition in extending a word of welcome to the right hon. Dr. Williams, Prime Minister of Trinidad and Tobago, and the party accompanying him here today. We are pleased to have them here in Canada, and we trust that their visit will make for a closer relationship between our respective countries.

We in this party have been urging throughout the years that Canada take a more active part in promoting economic development programs, particularly in less developed areas of the world. Instead of scattering our assistance over a wide area it has often seemed to me that one of the most effective things we could do would be for Canada to adopt the Caribbean area, and particularly that part of the Caribbean area that is in the commonwealth. We have common interests and a common adherence to parliamentary institutions, and we could work closely together to help develop that area. I trust that the visit of the Prime

Visitors in Gallery

Minister of Trinidad and Tobago will lay the foundation for such a program of mutual help and assistance.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is with genuine pleasure that we join the entire membership of this house in welcoming the right hon. Prime Minister of Trinidad and Tobago, Dr. Williams, and the members of his party who are with him. As one who is personally familiar with the general Caribbean area I can say that the friendly relationships which are now developing again in a more intensive way between Canada and our sister commonwealth countries in the Caribbean area are not only a challenge but a means of strengthening our dual roles in this western hemisphere. My mind goes back to the days when the "Lady" boats did so much to bring us closer together, and now with air connections established we are within a few hours journey of each other. Certainly the neighbourly responsibilities and friendships which exist between us can be developed in the immediate years ahead to a greater potential than ever before.

Therefore we welcome the presence of our distinguished friends and neighbours with us here this afternoon and trust that their visit will be one of much benefit.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, we wish to join with the other members of the house to extend the warmest welcome to the Prime Minister of Trinidad and Tobago.

There is talk about trade between the commonwealth countries. Well, trade relations with that country in particular can be very warm because it is a land of bright sunshine and beautiful waters, especially during those months when snow is plentiful in our own country.

Such trade could benefit our two countries. I feel that today in particular the understanding between the countries of the British commonwealth, which work together to maintain peaceful and friendly relations, can set an example to the other countries and make it easier for the whole world to achieve the understanding and harmony which exist within the commonwealth.

[*Text*]

VETERANS AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. James Forgie (Renfrew North) presented the first report of the standing committee on veterans affairs, and moved that the report be concurred in.

Motion agreed to.

[Mr. Douglas.]

COMMONWEALTH RELATIONS

ANNOUNCEMENT OF DATE OF MEETING OF PRIME MINISTERS

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the right hon. Leader of the Opposition has reminded us that this is Her Majesty's birthday. In joining as I am sure we all do in good wishes and congratulations on this day and the old desire for many happy returns, it seems appropriate that I should be in a position to make an announcement regarding a meeting of commonwealth prime ministers in London.

Hon. members will recall that after the visit to Ottawa of the British prime minister in mid February I said that we had had some talks about the possibility of a commonwealth prime ministers' meeting some time next summer. On March 30 I informed the house of my understanding that formal invitations for such a meeting were being sent out. It has now been agreed by all concerned—with one exception, Zanzibar, which has not yet replied—that the meeting should take place from July 8 to July 15. An announcement to this effect is also being made today in the British parliament in London.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I am very happy to learn that the meeting has now been specifically designated for July. I speak on behalf of all of us in the house when I wish the Prime Minister, as the representative for Canada, every good wish in discharging the great responsibilities that will come to him in that capacity at that conference.

NATIONAL HOUSING ACT

AMENDMENT RESPECTING RENEWAL PROGRAMS, PUBLIC HOUSING PROJECTS, ETC.

Hon. J. R. Nicholson (Postmaster General) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the National Housing Act, 1954,

(*a*) to provide further assistance to provinces and municipalities carrying out urban renewal programs by authorizing Central Mortgage and Housing Corporation (hereinafter referred to as "the corporation") to make contributions and loans to provinces or municipalities to assist them in meeting the costs of such programs, and for this purpose to provide for the payment out of the consolidated revenue fund of amounts not exceeding in the aggregate one hundred million dollars;

(*b*) to authorize the corporation to make loans and to insure loans made by approved lenders to owners of existing houses in areas included in urban renewal programs;

(c) to authorize the corporation to make loans and contributions to provincially or municipally owned housing agencies for constructing or acquiring public housing projects and operating such projects, and to authorize the corporation to contribute a portion of the operating losses on any such projects that provide subsidized housing accommodation to individuals or families of low income;

(d) to permit federal-provincial public housing projects to include existing housing and hostel or dormitory type housing accommodation;

(e) to authorize the corporation to make loans to non-profit organizations to assist in the acquisition or construction of housing accommodation for individuals or families of low income;

(f) to authorize the corporation to make loans to co-operative associations and charitable corporations to assist in the construction of accommodation for university students and their families and to increase from one hundred million dollars to one hundred and fifty million dollars the maximum amount that may be paid out of the consolidated revenue fund for this purpose;

(g) to authorize the corporation to make loans to provinces to assist in the construction or expansion of sewage treatment projects and to authorize the corporation to forgive repayment of 25 per cent of the principal and interest on any loans made to provinces or municipalities for this purpose in respect of work completed by March 31, 1967;

(h) to increase from two billion dollars to two and one half billion dollars the maximum charge on the consolidated revenue fund for direct loans by the corporation;

(i) to provide for the establishment of a special account in the consolidated revenue fund out of which amounts not exceeding in the aggregate one hundred million dollars may be advanced to the corporation for the making of loans to the holders of mortgages issued in respect of loans insured under the act and for the purchase by the corporation of mortgages issued to secure such loans;

(j) to increase the loan ratio for insured loans made to home owners and builders; and

(k) to provide for certain changes in the administration of the act.

Motion agreed to.

EXTERNAL AFFAIRS

CYPRUS—INQUIRIES RESPECTING PEACE KEEPING FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): May I direct a question to the Prime Minister arising out of press reports to the effect that an attack was made on the commanding officer of the Canadian contingent of the United Nations force in Cyprus. I should like to ask him whether, in view of this, representations have been made to President Makarios, since he represents a nation also within the commonwealth, giving to the president the viewpoint that Canadians are not at all pleased with conduct such as this and asking for his undertaking that so far as possible he will afford protection against further actions of the kind.

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): As soon as this report appeared the government asked, through the United Nations authorities and particularly the United Nations commander, for a full report on the incident. As soon as that report has been received I will make a further statement in the house.

Mr. Diefenbaker: Would the Prime Minister say whether or not, in view of the fact that Cyprus is a member of the commonwealth, direct representations should be made as well to the president of that country?

Mr. Pearson: I think that would be an appropriate course to follow if the information we receive justifies representations.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Prime Minister whether press reports are correct to the effect Archbishop Makarios has agreed to extend the powers of the United Nations force beyond mere self protection to keep a neutral zone clear, and if so have instructions to the United Nations force been clarified to that effect by the secretary general of the United Nations?

Mr. Pearson: Mr. Speaker, a report has also been requested on that newspaper report. I do not think it would be wise for me to comment on it until we get the exact facts as to what happened; then we will be glad to make a statement.

Mr. W. B. Nesbitt (Oxford): A supplementary question to the Prime Minister. Has the government, as reported in the press, reached a decision to continue the Canadian force in Cyprus after the three month period, and have negotiations been entered into with the secretary general toward the ultimate financing of the force?

Mr. Pearson: No, Mr. Speaker. No decision has been made yet on either of these points but a decision will be made, of course, before the three month period elapses and will be communicated to the house.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put a question to the Secretary of State for External Affairs?

Does the minister intend to impress upon the United Nations, at the next assembly, that the cost of Canadian troops stationed in Cyprus should be shared by all U.N. members?

[*Text*]

Mr. Speaker: Order. Although the question is obviously very important and also very interesting, nevertheless I think it is a question for the order paper.

Inquiries of the Ministry

Mr. Pigeon: Mr. Speaker, I gave notice to the Secretary of State for External Affairs.

Mr. Speaker: I beg your pardon? Did I understand the hon. member to say he gave notice?

Mr. Pigeon: Yes.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, you have said that this is a question for the order paper, and I think the matter of whether I should reply must be decided by you. You have said it is not a question that should be answered orally, although it is true that the hon. member did give me notice of his question.

Mr. Speaker: Under the instructions given to me by the house, which I have here and on which I am glad to rely, such questions are (a) to be asked only in respect of matters of sufficient urgency and importance as to require an immediate answer. That was the reasoning behind my suggestion that the question should be put on the order paper.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I wish to give notice to the house that I shall discuss this matter after ten o'clock tonight.

[*Text*]

LABOUR CONDITIONS

REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, may I put a question to the Minister of Labour?

Could the minister give the house a progress report on the investigation and the work carried out by his department concerning the extension of the winter works program after April 30 in designated areas, as he announced one or two weeks ago?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I hope to give a definite answer to that question tomorrow.

INCOME TAX

QUEBEC—INSTRUCTIONS RESPECTING CHARITABLE DONATIONS

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, in view of the numerous letters I have received from my constituents, I should like to direct a question to the Minister of National Revenue.

[Mr. Speaker.]

Could he tell us whether officers from the income tax offices have been instructed to disregard the regulation authorizing taxpayers to claim a deduction not exceeding 10 per cent of their income for charity donations?

[*Text*]

Mr. Speaker: Order. I must decide that this also is a question for the order paper.

CANADIAN FLAG

PARLIAMENTARY CONSIDERATION BEFORE ADOPTION OF NEW DESIGN

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Prime Minister. Will the Prime Minister assure the house that before a new flag design is adopted by the government the said design will be placed before parliament for adoption, and not forced on the Canadian people by order in council?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I have already dealt with that specific question.

Mr. Coates: Mr. Speaker, I would appreciate it if the Prime Minister would reiterate what he has said previously.

Mr. Pearson: Mr. Speaker, I said that the rights of parliament would be maintained in this important matter.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wonder whether the Prime Minister could give us any assurance with regard to the stories, of which we are all aware, about the trial balloon involving a flag with three maple leaves, and whether or not this was directed by his office.

Mr. Pearson: I have said already, Mr. Speaker, that stories to this effect were speculative.

Mr. Coates: Will the Prime Minister say whether or not the new flag design will be placed before the House of Commons for consideration?

Mr. Douglas: Will the Prime Minister tell the country who is speculating?

Mr. Pearson: My hon. friend's friends.

Mr. Coates: Mr. Speaker, I asked a supplementary question. The Canadian people should know whether the government is willing to place this design before the House of Commons.

Mr. Speaker: Order. In these circumstances it seems to me the Prime Minister has attempted to answer the question this afternoon.

Mr. Coates: Then I give notice, Mr. Speaker, that I will debate this matter on the adjournment.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I want to direct a question to the Minister of Labour, and ask him whether the distinctive badge he is wearing today is being sent out to encourage people to sign up for their social security numbers.

Mr. Speaker: I really cannot see the immediate urgency of this question.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Prime Minister. Now that the national pension plan has become a Lesage plan rather than the LaMarsh plan, will the Prime Minister be accepting the resignation of the Minister of National Health and Welfare, who promised in a speech before the National Press club to resign if her plan were rejected or even altered?

Mr. Speaker: Order, please.

HOUSE OF COMMONS

INQUIRY AS TO HOLDING OF BY-ELECTIONS

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to ask a question of the Prime Minister. In view of the widespread interest, is the Prime Minister able to give the dates of the by-elections in Saskatoon and Nipissing?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in order to ensure that this matter will not be put on at 10.20 tonight, I would like to inform my hon. friend that no decision has yet been reached.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the acceptance by the government in its announcement yesterday of the principle that pensions, after they are started, should be increased according to the cost of living index, will the government consider legislation at this session to raise the pensions of retired civil servants?

Some hon. Members: Order paper.

Mr. Speaker: I am not quite sure on which subsection this decision should rest, but in order to be sure I am going to use every subsection.

Inquiries of the Ministry

Mr. Knowles: Mr. Speaker, under the provisions of standing order 39(5) I give notice that I will raise this question on the adjournment tonight.

Right Hon. L. B. Pearson (Prime Minister): May I with respect, Mr. Speaker, ask for your guidance in regard to one aspect of this new procedure. When these matters are raised for discussion after ten o'clock, under the new rules is it obligatory for a minister to be present, or can his parliamentary secretary be here?

Mr. Knowles: Mr. Speaker, may I suggest that if the Prime Minister will read the standing orders for which he expressed approval yesterday, he will find that either a minister or a parliamentary secretary may be present.

AIR TRANSPORT

OBSERVANCE OF AGREEMENT BETWEEN T.C.A. AND TRANSAIR

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I raise a question concerning a promise which the Minister of Transport made a few days ago, that he would look into the matter respecting the deal between TransAir and T.C.A. Can he inform the house what action the government has taken to date to see that TransAir and T.C.A. are in fact living up to the terms of the agreement?

Mr. Speaker: May I suggest to the hon. member that he put this question on the order paper.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO EXTENSION TO COVER TEACHERS

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Labour. Has the government yet made a final decision on the recommendation of the Gill commission that teachers and school boards be required to make contributions to the unemployment insurance fund?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, no decision has been reached with respect to the coverage of any additional class within the unemployment insurance fund.

Mr. A. D. Hales (Wellington South): As a supplementary question to the Minister of Labour, does the government propose to introduce other legislation which has to do with the many excellent recommendations of the Gill commission?

Inquiries of the Ministry

Mr. Speaker: Unfortunately for the hon. member, this comes under subsection (f) which says "not raise a matter of policy too large to be dealt with as an answer to a question," and also I might add for greater sufficiency subsection (a); questions to "be asked only in respect of matters of sufficient urgency and importance as to require an immediate answer."

TRADE

URANIUM—INQUIRY AS TO ALTERNATIVE MARKETS

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, in the absence of the Minister of Industry I would like to direct this question to the Prime Minister, who has a keen interest in the matter. In view of the announced cut-backs in uranium stockpiling by the governments of the United States and Great Britain, has the government been successful in obtaining alternative markets elsewhere for Canadian uranium, in order to avoid the shut down of Canadian uranium mines?

Mr. Speaker: This surely is a question for the order paper, even though it is a very important one.

FINANCE

TAX ARRANGEMENTS FOLLOWING DOMINION-PROVINCIAL FISCAL AGREEMENT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask a question of the Minister of Finance. When will the minister have a statement for us on the new tax arrangements, of which we were given a little bit of information yesterday, from the point of view of his department?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I was not here yesterday but I read *Hansard,* and I thought a very complete statement was made by the Prime Minister. I do not know what further details my hon. friend might have in mind, except those that will be incorporated in the necessary legislation.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to ask a supplementary question. Could the Minister of Finance tell us what will be the amount of the accrued deficit following the changes announced yesterday regarding the new tax arrangements?

[Mr. Hales.]

[*Text*]

Mr. Speaker: Order, please. I do not see how the minister could possibly be expected to answer that question on orders of the day.

[*Translation*]

Mr. Gregoire: Mr. Speaker, in view of the new procedure, I ask that this question be considered on the adjournment tonight.

[*Text*]

NATIONAL DEFENCE

INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I would like to direct a question to the Minister of National Defence, but in his absence I shall address it to the Associate Minister of National Defence. Now that we are two and a half weeks beyond the date set by the Minister of National Defence for the appointment of the special committee on defence matters, may I ask when we may anticipate the appointment of the committee?

Hon. Lucien Cardin (Associate Minister of National Defence): Soon, Mr. Speaker.

Mr. Winch: As a supplementary, since it has taken two and a half weeks to get a definite answer, what does "soon" mean?

ROYAL VISIT

ATTENDANCE AT REVOLUTIONARY MEETING BY FEDERAL M.P.

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to ask the Minister of Justice a question. Should it be found to be out of order, I will not submit it to the house at ten o'clock this evening.

Does a federal member who has taken the oath of allegiance to the Queen have the right to take part in revolutionary caucuses dedicated to the creation of a Quebec state and which has as one of its aims to oppose the Queen's visit to Canada? If not, should such a member be asked to resign?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker—

[*Text*]

Mr. Speaker: I must interrupt. This is asking for a legal opinion and, even if it were not, I must admit I could not understand the purport of the question.

CANADIAN NATIONAL RAILWAYS

MATANE-STE. ANNE DES MONTS—EXTENSION OF LEGISLATION AUTHORIZING CONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Minister of Transport.

In view of the fact that in 1962 an act was passed by parliament making provision for the building of a railway in Gaspe peninsula, does the government intend to renew this act before it expires on December 31, 1964?

[*Text*]

Mr. Speaker: This is a question for the order paper.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I wish to put off that question until after ten o'clock.

[*Text*]

Mr. Speaker: May I at this point suggest to hon. members that if they wish to debate these questions later on they must give notice by five o'clock today.

LABOUR RELATIONS

INQUIRY AS TO FEDERAL LABOUR CODE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the welcome statement the hon. gentleman made to the Canadian Labour Congress convention in Montreal this morning that a labour code would be introduced at this session of parliament, can he say what the date of that introduction will be?

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker, but we hope to get it on the order paper as quickly as possible.

SUPPLY

The house resumed, from Monday, April 20, consideration of the motion of Mr. Favreau (for the Minister of Finance) for committee of supply, and the amendment thereto of Mr. Churchill.

VETERANS AFFAIRS—TRANSFER OF HOSPITALS FROM FEDERAL CONTROL

Mr. Eldon M. Woolliams (Bow River): When the house adjourned at ten o'clock last night I was speaking on the amendment to the supply motion with regard to the take-over by provincial or other authorities of the D.V.A. hospitals. I was making three points.

The first was that the minister gave an undertaking that before any change in the control or use of these hospitals was brought about this whole matter would be referred to the standing committee on veterans affairs. Second, his undertaking was that before any change was made in this regard he would refer the matter to the veterans associations both provincial and federal.

I now charge the minister with having misled not only the house but the public in this regard, and I say this because in the first place, the matter has not been referred to the standing committee on veterans affairs and, in the second place, he has not consulted with the federal president of the Legion or with other veterans organizations. I hold in my hand an article which appeared in the Calgary *Herald* of April 16 last stating that the Colonel Belcher hospital auxiliary association has asked the minister for a definite statement of policy on the future use of military hospitals and expressed its alarm, in a letter to the minister over this proposal to reorganize veterans hospital services.

I wish to make our position clear. Our position is hands off these hospitals. The position taken by hon. gentlemen opposite appears to be "Hands on these hospitals but keep the matter secret". We have heard talk lately about the new open diplomacy. Does the government intend to come forward in the last 24 hours and say it has only been negotiating as far as this question is concerned? Is this in accordance with the new point of view about open diplomacy?

I say to the minister that he has an obligation to the House of Commons and to every veteran in Canada to come clean on this subject and tell us where his government stands on this matter. Judging by the answers he has given to questions so far, he knows that during the last two months there have been negotiations under way with reference to transferring control of these hospitals to the provincial or municipal level. I charge him again with having been wishy-washy in his answers and in his decisions with reference to this subject. In fact there is a conflict between the position he took and the position taken by the Prime Minister. The Prime Minister assured us that there would be no change in control. If it turns out that this means that the title is to remain with the department though the actual use goes to the provinces, if this is what "no change in control" means, I think we are merely playing with words. The house and the country are entitled to know what is taking place. I charge the minister with deliberately deceiving the veterans in this regard.

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, it is certainly not my intention this afternoon to engage in a debate the like of which we have just heard. I think this subject is much too important for that, and I have serious doubts about anyone who suggests that any other member of this house would act with any intent to deceive either the House of Commons or the veterans of Canada.

The mover of this amendment yesterday repeatedly stated that a serious problem did exist in the administration of our D.V.A. hospitals. In fact he admitted that as far back as 1959 there was a recognition of this developing problem. I believe he said that when he was minister he decided to wait for the report of the Glassco commission before making a decision. As a result of that report he stated then, as was stated a few minutes ago by the hon. member for Bow River, that the policy was hands off the D.V.A. hospitals. I think that is a clearcut statement, and I do not quarrel with it.

However, all hon. members who are familiar with the hearings before the veterans affairs committee last year and all those who have spoken in this debate recognize that there is a serious problem in the administration of these hospitals. I do not intend to debate that fact, because I believe we can take it that the existence of the problem has been recognized. The mover of the amendment recognized it. The hon. member for Kootenay West recognized it. Perhaps I might also quote from the report which the committee made last year; this is recommendation number 12:

> Your committee is aware that a point has been reached where a decision must be made regarding treatment service in both areas of responsibility and administration.
>
> Your committee recommends that the fullest consultation be carried out with veterans organizations before any changes are made.

I think it may be useful at this stage to outline what the problem is. It is one which has been developing because of the increasing case load in our hospitals of long term and chronic illness with the result that we are no longer able to bring to bear on the treatment of veterans in our hospitals the kind of medical services which are available to the general community outside. This is aggravated, of course, by the fact that there is a shortage of professional staff throughout the country, and when medical people and nurses have a choice between our hospitals and others they naturally gravitate to those hospitals which can offer the broadest opportunities.

Among other things that have occurred is this. The Royal College of Physicians have downgraded our hospitals in terms of facilities for teaching. Ten years ago a large number of medical people graduated after taking three year courses at our hospitals, but these facilities have now been downgraded because the case load at our hospitals does not supply the kind of cases which are of interest to professionals. Thus we are faced with circumstances which will prevent us, if our hospitals remain as they are, from providing for the veteran population the kind of medical treatment which every one of us would agree our veterans are entitled to receive.

So, facing this problem, what do we do about it? I do not think there is any point in saying that we just carry on. That was one of the alternatives, among many, that we faced. What do we do about this? How do we face this problem? Certainly one of the alternatives is "Do nothing; we will just carry on this way". Another alternative was certainly the recommendation of the Glassco commission. But if we read the recommendation of the Glassco commission, what does it recommend? It recommends that we gradually move our veteran patients from the hospitals, and its final recommendation reads as follows:

> Active treatment hospitals now operated by the Department of Veterans Affairs, when cleared, be sold and converted into community hospitals under transfer agreements providing preferential admission rights for veterans with pensionable disabilities.

I can understand why the previous minister turned that down, because that recommendation is unacceptable; it would be impossible to really do a job of work. In effect it would mean a continuation of the downgrading of our hospitals until we moved our veteran patients elsewhere, and then ridding ourselves of the buildings.

Another alternative has been suggested. It is curious to note, Mr. Speaker, that in all the letters I have received, with the exception of two or three very thoughtful letters, the central problem was ignored. In some of these thoughtful letters it was said—and I have heard others make this recommendation —we could have opened our doors to the general public and therefore have brought into these hospitals the kind of patient case load which would enable us to bring into the hospitals the kind of medical people, professional staff, that would enable us to discharge our responsibilities adequately. That was an alternative that was looked at, but here we were moving into an area where constitutional difficulties would have arisen, because we would be moving into a strictly provincial field. The administration of hospitals is not within the prerogative of the federal government. There is no question about operating

our veterans hospitals; that is recognized and accepted, but the operation of hospitals for the general community is a provincial matter. I think we must accept and recognize that, particularly in the climate of today, we would have invited a controversy and difficulties here which would have made the treatment of our veterans even more difficult.

Then, of course, there was another alternative that suggested itself. That was the alternative I spoke of in the statement I made the other day; that where possible, and with adequate safeguards, we might be able to reach agreement with appropriate authorities whereby we would transfer the operation of a hospital into what I will call, for want of a better word, civilian hands; whereby we could have available in that hospital the highest possible standard of medical treatment that was available in the community; and within that hospital guarantee for ourselves enough space and beds to ensure that the department would carry out its responsibilities. In the statement I gave to the house the other day I laid down several conditions. I said:

> At this point I would like to make it unequivocally and emphatically clear that no such agreements will be entered into by the government unless certain *sine qua non* conditions are met. These conditions...are as follows: First, accommodation for the treatment of service connected disabilities among veterans must be immediately available at all times, and treatment must be provided in accordance with standards prescribed by the Department of Veterans Affairs.

We have some experience in this field. We have a situation in Saskatoon, for instance, where this exists; where the federal government made a grant to the university hospital and where enough beds are reserved with top priority for the Department of Veterans Affairs in order that it may discharge its duties. I do not think anyone will complain about the kind of treatment our veterans are receiving in that hospital. There is space provided for our people within the hospital and this, of course, we would ensure. We would have to have an absolute the premises, in order that the veterans Affairs would decide who should be admitted to the priority beds, when they would be discharged. Our staff would be available on the premises, in order that the veterans would report to the Department of Veterans Affairs staff. In other words we would retain complete and thorough control of the treatment of our veterans.

Mr. Woolliams: Mr. Speaker, would the minister answer a question at this stage?

Mr. Teillet: Yes.

Mr. Woolliams: The question briefly is this. Supposing that hospital in question had all its beds filled by people other than veterans; what would happen to the veterans?

Mr. Teillet: This is precisely why we must have an iron-clad guarantee. We would decide up to a top number of beds that we would reserve and which would be adequate for our purposes, and we would decide the use to be made of those beds. If such a situation should occur, then the veteran would have a bed even at the risk of moving someone else out of it.

Mr. Churchill: Where would you move them to?

Mr. Woolliams: Yes, where would you move them to; the street?

Mr. Teillet: This actually happens in Saskatoon; it works, and we know it works. The agreement is respected. I suggest to the house that in this instance we have the best medical service available to our veterans that is available to the community of Saskatoon. What is being suggested here is that people with whom we enter into an agreement are not responsible enough to respect it. I am sure that is not really a responsible statement, because we have experience of this kind of thing. We are not going to enter into an agreement with any group or body that is unreliable or will not respect the agreement that is entered into.

I would like to recall that when I made the statement the other day I also said this:

> It is therefore the view of this government that the operational control of veterans hospitals should be transferred to non-federal agencies at times, in places, and under conditions which will best protect the standards of care to which veterans are entitled.

I readily admit that one of the difficulties that exists in this area is that the problem is quite different with each of the areas in Canada where hospitals are situated, and it is impossible to prescribe a set series of conditions which would apply in all cases. In this context, Mr. Speaker, may I say this regarding my agreeing to accept and respect the recommendations of the committee with respect to consultation with veterans organizations. It has seemed to me that rather than consulting, say, the dominion command or the veterans affairs committee in Ottawa we would be in a much better position if we were to consult the veterans who best know the area involved. In this instance I suggest we consult the veterans in the provincial command, who would best know the area, the conditions and the circumstances. In that regard I very much doubt whether in all the circumstances it will be possible to consult with the entire groupings, as I suggested previously, but we can certainly

talk to the provincial command in the area of the hospital under discussion at the moment. That is a perfectly valid point, and we have undertaken to respect that recommendation. I interpret it in that light because surely that is where we will receive the best advice.

The question of when this consultation will take place is again a pretty difficult one, because until we reach the stage where we have a series of concrete proposals with conditions laid down and a draft document prepared, so that we can answer the questions which will be asked and have something specific to go on, I do not think we are in a position to consult intelligently.

As I indicated when answering questions in the course of my earlier statements, we have had proposals from a number of authorities. These are people who have written to us and suggested that they think they could meet the conditions that we have laid down. Before going further with the matter it would be necessary for my officials to take a look at the situation which these people were proposing. It would be necessary for these authorities to meet and discuss the details of the conditions we would require, so that we would be in a position to discuss more intelligently with the veterans organizations what we proposed to do.

I repeat, because I think it is extremely important, that it is my view that the standard of care to which veterans are entitled must be maintained, and that is the whole objective of this exercise, and we will retain control. In the one instance, that is true, that we have reached the stage where we are preparing the draft of an agreement in order to see whether these people are prepared to meet conditions which will satisfy us.

Mr. Woolliams: What are the terms of that agreement? What are you actually doing? Cannot you disclose that?

Mr. Teillet: I will be in a position to disclose that when the draft is complete.

Mr. Fleming (Okanagan-Revelstoke): That will be too late.

Mr. Teillet: Well, I will not indulge in that argument. Until the draft is completed surely it will be of little practical value to sit down and discuss it. When the draft is completed we will then have something concrete and specific, and will be in a position to discuss the question with these people and make the necessary changes if they are required. I think that is the proper way to proceed. After all, if our conditions cannot be met then we will have to look to other means, and that is going to be extremely difficult. The basis of this entire matter, I repeat, is the quality of medical services provided to our veterans.

Mr. Herridge: Would the hon. gentleman permit a question?

Mr. Teillet: Yes.

Mr. Herridge: In view of the statement of the minister, a statement I have heard repeated and about which there has been some argument on that side of the house, why is it that I repeatedly run into cases—I am speaking of my personal experience in this matter—of veterans who are sent to Shaughnessy from the interior because they are told they can get better treatment for their disability there than they can at the local hospital? I have had one case brought to my attention this week.

Mr. Teillet: That is true in many of our hospitals today, but this is the standard which we want to maintain. Unfortunately this high standard is not true of all our hospitals, but in many of our hospitals today we still have a very high quality medical service. I thank my hon. friend for asking me that question, because it does permit me to underline the fact that we still have excellent staff in our hospitals. But recruiting is becoming more and more difficult, and before we reach the stage where that standard has deteriorated we feel we should take whatever action is necessary in order to put an end to the deterioration which we see coming in the near future.

While I am on that subject perhaps I might remove another misunderstanding with regard to the so-called empty beds in our hospitals. With very minor exceptions—and those exceptions are a result of staff problems—our hospitals are carrying patients at a capacity which is considered normal for a hospital. Our case loads run at an average of 75 per cent to 80 per cent capacity. So it is not a question of empty beds; it is a matter of the kind of patient we have in our hospitals. That is where the difficulty lies. We have a large percentage of chronic, long term care cases; in fact the average across the country of that type of case now runs to about 75 per cent, and therein lies our problem. Before any decision is taken, quite apart from the treatment factor involved, we have to make very sure that the veterans now in those hospitals and others who may come after them—long term, chronic cases—have adequate attention and facilities. That is another complicating factor. We must make sure that these people are looked after. They need medical attention. They do not need active treatment, but they do need medical attention.

Therefore—and this was the second condition in the statement I made the other day—we must assure ourselves that these facilities

are both in existence and are available to us. The hon. member who moved this amendment referred to construction programs last year. In Saskatoon we are providing this kind of facilities so as to make sure these people are looked after and removed from the kind of buildings in which they are presently housed; and that program is continuing. If hon. members were to study each case across Canada they would find there are as many variations in conditions as there are hospitals, and in some cases it will be many years before community resources are adequate to meet those conditions. We may have to make temporary arrangements in order to make available a full treatment program in such communities and to provide such facilities in our hospitals. This means that it will not be possible for me or for anybody else to set a specific standard which will apply to all our hospitals. We will have to deal with each one on its merits. We will have to study local circumstances and resources and the kind of arrangement that we should enter into.

There is another factor, which is not a negligible one and which I also mentioned, hon. members will recall, in my statement the other day. We have in these hospitals at the moment dedicated nurses and dedicated medical men, who are dedicated principally because they are veterans themselves. They are doing an excellent job of servicing these hospitals. While it is difficult to replace them, I think the Department of Veterans Affairs owes them some safeguard as well. We must make sure, given these conditions, that these people are adequately looked after.

Now, Mr. Speaker, to come to the amendment itself I find that it reads in part as follows:

> This house deplores the announced decision of the government to abandon its responsibilities for the administration of veterans hospitals—

What we are being asked to do, and most of the letters I have received make the same request, is to ignore the problem; do not do anything. Hands off.

Mr. Herridge: Who said that?

Mr. Teillet: This was the policy laid down by the hon. gentleman a few minutes ago and, in effect, that is what is intended by this amendment. I think, on the contrary, what we have tried to do has been to face the problem. What do we do about it? Do we let our veteran population take second class medical treatment in the years ahead or do we say to ourselves that our first responsibility is not necessarily to maintain buildings for our people, but our first responsibility is to ensure that they get the care which Canadians want them to have?

Mr. Winkler: Mr. Speaker, will the minister permit a question?

Mr. Teillet: Yes.

Mr. Winkler: In making such a statement, is the minister not taking the exact opposite view of that put forward by the mover of the amendment?

Mr. Teillet: That is not a question, it is an argument. I read the hon. gentleman's speech very carefully and the policy contained in it was "hands off". I think it was repeated; "hands off".

Now, Mr. Speaker, I must express some regret at this kind of amendment in a want of confidence motion—

Mr. Churchill: You brought it on yourself.

Mr. Teillet: Because I dared to face up to the problem. It would have been very easy for me to sit back and wait for the deterioration to come about. It would have been very easy to avoid controversy. However, there is a responsibility imposed on this department, and that responsibility is to carry out the moral obligations to make sure that treatment is adequate. We have said we are prepared to deal with each of these cases on its merits. We are prepared to make the kind of arrangements that will guarantee the best medical service available in Canada. We are prepared to do this provided we get the necessary safeguards so that we remain in control, so that we decide—that is the departmental officials—upon the admission or non-admission of veterans in any hospital where we may make such arrangements.

The hon. member for Kootenay West had some kind words to say, and I appreciate them very much. However, I think he will agree that a decision to do nothing at this stage will not benefit our veterans, because a decision to do nothing at this stage will only result in our veterans losing. They will lose the kind of treatment which has been available to them. In dealing with this problem we have to face up to the fact that the problem exists. Everybody agrees it exists.

Mr. Winkler: How are they going to lose out?

Mr. Teillet: The problem was recognized and was stated by the mover of the amendment. The problem has been recognized by all and is referred to in the report of the committee. It is a matter of how best to deal with the problem.

I think in conclusion I can do nothing but reiterate what I said a while ago. There were certain alternatives placed before us. One alternative was to open our doors to the general community. I do not need to suggest to hon. members the kind of difficulties that

would arise from such a course. Another alternative was to follow the Glassco recommendation and, in effect, let our hospitals run down as the case load goes on decreasing.

Mr. Woolliams: You are not saying the Belcher hospital is run down?

Mr. Teillet: The other alternative is to do nothing; hands off. This is the course proposed by the hon. member who moved this amendment.

Mr. Churchill: Retain control of them in veterans affairs; that is what I am talking about.

Mr. Teillet: Again I thank the hon. member for his intervention. It enables me to repeat what I said a while ago. I want to make this assurance doubly sure, that in anything we do about medical hospital care we will be safeguarding the interests and welfare of the veterans, and advancing those interests and improving that welfare. There will be no changes in respect of any veterans hospitals which do not fulfil these requirements. There will be consultation with veteran organizations. As I have indicated, there will be no change removing control of veterans admissions, and the care required, from the Department of Veterans Affairs. I have given assurance to the house before, and I can reiterate this assurance now, that control of medical services will remain with the department.

I can only suggest that under these circumstances the accusations contained in this amendment are false. We are trying to live up to our responsibilities, but they say "hands off". We say face the problem, deal with it effectively and guarantee the kind of service to which our veterans are entitled.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, the argument which the minister has just completed revolved around the possibility of veterans treatment services deteriorating at some time in the future. Mark you, he referred only to the possibility, and adduced no facts to support that argument. I will come back a bit later to the various points he made in regard to medical treatment.

Before doing that I should like to go on and make a few points, particularly one related to something the minister said shortly before he sat down, and something along the same line which was said by the parliamentary secretary to the minister yesterday. They said that the introduction of this motion meant the introduction of partisanship in the consideration of veterans affairs, something which has not been done before. I feel that both the minister and his parliamentary secretary fail to realize that our inability during the past several weeks and the inability of veterans organizations to find out what government policy was in regard to veterans hospitals, to find out what course of action is to be followed by the government, has left those of us concerned with the welfare of veterans and veterans hospitals with no alternative but to bring up this matter in this way.

This is the only means open to us at the present time by which we can have a full discussion of this matter. We would be failing in our responsibility to the veterans and for the veterans if we did not take this means of bringing the whole matter into the open.

I think I should make it clear that the amendment before the house has been moved because of the serious concern that veterans hospital services are to be reduced to the detriment of Canadian veterans. That is the reason the amendment was moved, because of real concern in that regard not only on the part of members of this and other parties in the House of Commons but also very real concern on the part of veterans and veterans organizations throughout Canada.

This fear on the part of veterans and their organizations first arose out of newspaper stories that the Colonel Belcher hospital in Calgary was to be turned over to civic or provincial authorities for operation. Their fear over what was going to happen to their hospital facilities and the hospital treatment to which they had become accustomed has progressively increased because of the indefinite and evasive answers which the minister has given to questions of all kinds during the past few weeks concerning the policy of the government.

Since the session started a long series of questions has been asked regarding this matter, but throughout the government has refused to say that a change in policy with regard to D.V.A. hospitals has been decided upon. They have refused throughout to admit definitely that they have decided on a change of policy, in spite of specific questions on that very point, put by myself and others to the minister in the house. Nevertheless, discussions with regard to Colonel Belcher hospital have continued, quite evidently with a view to turning it over to the civic and provincial authorities. In addition, civic and provincial authorities have made a succession of statements to the newspapers in Calgary indicating the number of beds they are going to secure by means of this deal, the number of operating rooms which are going to be made available to them and so forth.

All of this, combined with the evasive answers of the minister, has made it clear to

most people, I think, that in effect a change in policy was accepted by the government at one time. The replies of the Prime Minister in answer to questions asked him have already been referred to. I will not take the time of the house to repeat them at this moment, but he did give the impression that no change was to be made. In other words he gave the impression that previous statements made by the minister and by civic and provincial authorities in Alberta were not correct, and that the control and operation of Colonel Belcher hospital and other veterans hospitals were going to remain in the hands of the Department of Veterans Affairs.

So strongly was this impression given that I advised several of my correspondents that in view of what the Prime Minister had said I thought our fears with regard to what was going to happen to the Colonel Belcher hospital could be set at rest. Then, of course, subsequent answers given by the Minister of Veterans Affairs were to the exactly opposite effect, with the result that the whole question was up in the air again. We now have a picture of confusion, and the matter can only be cleared up by a definite statement of policy on the part of the government as to the course of action they are going to pursue.

We have not yet had such a statement. In anything the minister has said there has really been nothing definite with regard to what the policy is going to be. He has continued to talk about the situation prevailing in one part of Canada being different from that prevailing in another, but he still refuses to admit that the government, as now appears clear, has made a change in policy and is progressively going to turn over the operation of the D.V.A. hospitals to civilian control.

There has been another very bad result arising from the confusion which has existed and the conflicting statements that have been made. In particular, because of the indefinite and evasive statements of the Minister of Veterans Affairs, a lack of confidence in the minister has developed on the part of veterans and veterans organizations. In the past veterans organizations and veterans generally have looked to the minister of veterans affairs, whoever he may have been, as their representative in the cabinet and the defender of their interests, the person to whom they could turn for general support because as far as the government was concerned the general welfare of veterans was in his hands. This situation has very definitely changed. The result is that at the present time most veterans and veterans organizations have now come to look upon the minister as the leader in a movement to decrease or eliminate their hospital and treatment benefits and guarantees.

Mr. Teillet: Nonsense.

Mr. Harkness: This is the situation. Naturally the minister will not admit this. I suppose he would hate very much to admit it; nevertheless I can assure him that on the basis of my experience that is the situation so far as the veterans organizations with which I am familiar are concerned, including my own branch of the Legion, No. 1 branch, Calgary, one of the biggest in Canada. I think it is most deplorable that the minister should have lost the confidence of veterans and veterans organizations to such a great extent, because it will make it very difficult for veterans affairs generally to be dealt with in a satisfactory way.

Several times during the past few weeks I have asked that the whole matter of future policy with regard to veterans hospitals be referred to the veterans affairs committee. On every occasion the minister has refused to say that this would be done. I ask why. Why does he refuse to say that the matter will be considered by the veterans affairs committee? Surely this is the body best fitted to consider the whole question of veterans hospitals. It is a body where evidence from representatives of the veterans organizations can be heard as well as evidence from departmental officials, medical bodies and so on. In other words, the matter could be thoroughly examined in that committee, and I do not know anywhere else where it can be thoroughly examined publicly and all the facts in connection with the matter brought out.

Surely it is essential that this be done so that members of the house and veterans and veterans organizations may be satisfied that the right course of action is being followed. Again I ask the question, why do the minister and the government refuse to have this matter considered and recommendations made thereon by the veterans affairs committee, the only place where the matter can be thoroughly aired?

The minister and his parliamentary secretary both continue to reiterate that their great concern is to safeguard the interests and welfare of the veterans. Once more I ask, if that is the case why do they not take the obvious step to ensure that this will be done, by referring the matter to the committee rather than refusing to have it thoroughly investigated? I would strongly urge on the minister and the government that they take this action now. The veterans affairs committee has been set up and had its first meeting this morning. It is ready to operate and go ahead. This matter could be referred to it immediately, and I trust that action will be taken.

On various occasions, in answer to questions and otherwise, the minister has stated that

veterans organizations would be consulted in regard to this whole matter, and he went on to say that there is no use consulting them until the matter has been brought to a more complete stage than is the case at present. In other words, what he is saying is, "We are going to make a deal with the civic authorities and the provincial authorities, and then we are going to bring it to the veterans and tell them what the deal is." That is not consultation at all.

Mr. Teillet: I am sure my hon. friend would not want to mislead anyone. I would hope the hon. gentleman knows that we had consultations at the beginning, and we are waiting for the final drafting on this thing before we consult them again.

Mr. Harkness: This is the point I have just been making. Before the minister goes ahead to make a deal with the civilian authorities for the takeover of the Colonel Belcher hospital he wants to have the thing all arranged, the "i's" dotted and the "t's" crossed, and then present it to the veterans and say, "This is what we have arranged with the civic and the provincial authorities." But by that time it will be too late for the veterans to have any influence on what is done.

Mr. Teillet: Nonsense.

Mr. Harkness: This is not true consultation. This is merely calling the veterans in after the thing has been done, and saying, "This is what we are going to do." As a matter of fact, the minister has attempted to convey the impression that veterans organizations in Calgary were consulted, and also to convey the impression that they were not unanimously against this proposal to turn over the Colonel Belcher hospital. I see he nods his head up and down to agree that that is the case.

The actual fact is that there was no real consultation whatsoever with the veterans organizations in Calgary, and also that they are unanimously against the proposal to transfer control of the Colonel Belcher hospital.

Mr. Teillet: That is not true.

Mr. Harkness: In order to establish that this is the fact I have only to refer to two or three telegrams and letters which I have received from veterans organizations in Calgary. The first telegram is dated March 17 and states:

> Committee formed in February 1964 composed of all veterans groups in Calgary unanimously oppose veterans hospital takeover. What manner of man can sanction this even as Canadian contingent embarks for Cyprus?
>
> Frank Potts,
> President No. 1 Branch,
> Royal Canadian Legion.

The second is a letter dated March 19, and deals with the consultation which the minister said took place. It reads:

> Re: Veterans hospitals.
>
> We note in *Hansard* of February 25, on page 195, Mr. Teillet, stated in part in answer to questions directed on this subject matter as follows:—
>
> "I believe I stated yesterday or last week that we had received a proposal from the city of Calgary, that we had had a meeting with that city, their hospital people and some of the veterans organizations in Calgary."
>
> While it is true that representatives of the veterans organizations did attend, as a result of an invitation from chief commissioner John Steel to this No. 1 branch only, nevertheless all concerned were unanimous that the whole matter was cut and dried before they ever entered the meeting and their observations had no direct bearing on the outcome, as they were in effect told by Dr. Crawford that he would not have been in Calgary were it not for the fact that his minister had approval of the cabinet in the matter.

In other words, the so-called consultation was merely a matter of calling the veterans organizations in and saying, "We are going ahead with this deal." They were being told in effect that the matter was decided and it did not matter what they said.

Mr. Teillet: That is completely wrong.

Mr. Harkness: That again is signed by the president of the No. 1 branch of the Royal Canadian Legion.

Mr. Teillet: That is not an adequate report.

Mr. Harkness: Well, if the minister says it is false I think that, to a man, the veterans in Calgary will believe what Frank Potts says in connection with this matter and not what the minister states in attempting to defend an indefensible policy.

The minister is also aware that a very large number of people in Calgary, and not only members of veterans organizations, have signed petitions urging that this hand-over of the Colonel Belcher hospital do not take place. In other words, there is very wide disapproval of this projected move, and opposition to it. Further the minister is aware of a telegram dated April 14, sent by Mr. Potts to the Prime Minister, which reads as follows:

> No. 1 branch of the Royal Canadian Legion express strongest possible opposition to proposed Belcher hospital solution. Unable to see logic of this policy when veterans are presently being denied treatment.

I could read dozens of such statements, but there is no use in reading them all. There is no question whatever that the veterans were not consulted in any real sense or meaning of the term consultation, in connection

with the meetings held in Calgary; and there is absolutely no question that they are unanimously opposed to the handing over of the hospital. That being the situation, surely the minister and the government are not going to try to put over the idea that the veterans are being consulted satisfactorily, and that they are not against this move? There is no question in regard to these two points.

The minister and his parliamentary secretary emphasized in their speeches that everything they are doing is to safeguard the veterans interest, to look after their welfare, to ensure it will continue on the highest possible level and so forth. If this is the case, then I would ask them why are all the veterans organizations so strongly opposed to it? Is the minister going to try and maintain that these veterans organizations do not know what is good for veterans, and that they do not know what they are talking about? I do not think he would maintain that for a moment, yet the veterans organizations are very strongly opposed to the proposed change in policy which he wants to bring about.

I can tell him why they are opposed to it. It is because they see quite clearly that their treatment facilities will be reduced, and because they see quite clearly that there has been no real consultation. It is also because they have a very strong suspicion that the minister is attempting to face them with a *fait accompli* and say, "There it is. The deal has been made and you have just got to take it and like it." That is why they are so strongly opposed, not only to the general idea but to the method used in trying to put it across.

As I stated at the beginning, the minister made the claim that doctors would not be available at some time in the future, but when he was questioned in regard to this matter by two or three opposition members he said, "Oh, no, no, the doctors are available now all right; the treatment available to the veterans is still excellent; it has not declined."

Mr. Teillet: Mr. Speaker, again for the sake of accuracy I think my hon. friend should correct that. What I said is that at the present moment our treatment available in hospitals was of a high quality. I did not deal with the availability of doctors in that sense.

Mr. Harkness: As I wrote down what the minister said, he gave two or three reasons. One was that the service was excellent. In one case they would get better treatment if they went into the Shaughnessy hospital than if they took treatment at home or in some other place. In other words, I do not think the minister is making any claim that treatment given in the veterans hospitals is not good, or that the doctors are not good, or that the staff is not good. His whole argument was based on the fact that at some time in the future the standard might decline and that the service available to veterans would not be as good as it should be. But he produced no proof of that contention whatsoever. He merely made the statement. This is another reason why the whole matter should be gone into thoroughly with the veterans organizations and before the veterans affairs committee. This should be done so that everyone could find out what the picture really is in this regard.

In connection with the Belcher hospital, in particular, a hospital about which I happen to know a considerable amount, and the only one which is to be affected immediately, I do not think the minister will maintain that the staff is not good. I do not think he or anyone else can produce proof that the staff will not continue to be good in the future or that there is any threat to the standard of their services declining in two, three or five years or, indeed, in any particular length of time. I think there is no evidence at all that the treatment which veterans are able to get at this hospital will not continue to be excellent—as good as, if not better than any which they would be able to get elsewhere. From this point of view I think the minister's entire argument falls to the ground. Certainly he has not produced any evidence to support it.

The hon. gentleman talked about the constitutional difficulty which might arise if the general public was admitted to D.V.A. hospitals. Well, I doubt very much whether there would be any difficulty from that point of view. Certainly much more serious constitutional difficulties have been solved and I am sure this one could be overcome, too, without very much trouble. I do not think there would be a great deal of objection on the part of anyone to allowing a certain number of civilians from the general public to enter veterans hospitals.

The minister went on to say that if these hospitals were operated under civilian control—and I presume he meant in Colonel Belcher hospital, because that is where he intends to start—a certain number of beds would be set aside for veterans. I think that is an extremely doubtful proposition. In Calgary there is a serious shortage of hospital beds and operating facilities. It would appear from the talk among the civilian authorities that 150 beds would be reserved for veterans out of a total of 400 being used at the hospital. Who would contend that 150 beds where there were formerly 400 are going to provide adequate facilities for our veterans and an assurance that they will be looked after when they need care? The proposition does not hold

water. I do not think any reasonable person would contend that the facilities available for veterans in southern Alberta would not be seriously impaired and reduced if this proposition were to go through.

The minister also stated that the problem is a different one in every part of Canada. But he said nothing to support this contention. He said we cannot lay down a general policy because every one of these veterans hospitals is different and a different situation prevails. I think this is an argument which is hardly worthy of notice. The general policy has been to operate these hospitals by the Department of Veterans Affairs for the use of veterans. The minister is proposing to change that policy and to turn some of them and, eventually, all of them, over to civilian control. That is a change in policy which is going to apply to every part of the country either now or at some time in the future. It is of no use for the minister to try to tell us there is not a general change in policy. I think he should come out openly and say this is the case, if it is the intention of the government to proceed with this plan—and I very much hope it will not.

I mentioned a few minutes ago the serious shortage of hospital beds in Calgary. This situation is, of course, the responsibility of the city and of the province. It is their responsibility to make that shortage good and there should not be any attempt to make it good at the expense of veterans by decreasing the hospital facilities available to veterans. The shortage of beds arises because of a failure to provide the hospital construction which should have been provided in the city of Calgary. In fact, turning over the Belcher hospital, or a large proportion of it, for civilian use would not meet the need. The need there can only be met by extensive new construction. Making use of certain of the facilities of the Belcher hospital would be a palliative; it would help a little at the present time. But it would not solve the problem.

I have said on various occasions when asked about this matter that to the extent that beds and operating rooms are not being fully utilized at the Colonel Belcher hospital or at any other veterans hospitals they should be made available to ordinary civilian patients. I know the Department of Veterans Affairs has never looked with favour on this possible solution. One of the difficulties which the minister mentioned was the constitutional question involved. Well, there might be some difficulties but I do not think any of them are insuperable. I do not even think they are very serious and I believe the solution I have put forward is a reasonable one and that it should be followed. If there are beds and operating rooms available in these veterans hospitals which are not being fully utilized, I can really see no serious reason in the world why they should not be made available for ordinary civilian use. I have talked about this to a number of doctors in Calgary and they see no difficulty about it. The difficulties which have been brought up, or dredged up, in this regard are, I think, entirely on the part of the department itself.

With regard to this whole matter, some allegations have been made that the veterans are trying to be selfish in regard to their hospitals—that they are trying to keep other people out of them, and so on. I have seen no signs or evidence of any such attitude. I do not think there is any desire on the part of any of the veterans organizations or on the part of anyone to deny the general population of this country facilities which are available and which are not fully in use. On the other hand, there is strong opposition to taking away from veterans the facilities which they have enjoyed over a long period, and the full benefits granted to them under the veterans charter. And this, in effect, is the proposal the minister is making.

Mr. T. C. Douglas (Burnaby-Coquitlam): I did not intend to take part in this debate but I should like to say a few words now on the amendment which has been moved.

I do not like the wording of this amendment. I would prefer to have seen an amendment which deplored the government's failure to make a clearcut statement on its intentions with reference to the administration of veterans hospitals, and criticized the government for failing to refer this matter to the veterans affairs committee. However, after listening to the defence which was put up by the Minister of Veterans Affairs (Mr. Teillet) I have become convinced I ought to vote in favour of this amendment because the minister, it seems to me, has completely failed to give the house any satisfactory statement with respect to the government's intentions regarding veterans hospitals.

The minister says that this is a very serious problem—and nobody doubts that. He says that he has faced up to the problem. That is like the Irishman saying you should take the bull by the horns and look it straight in the face, because it may turn out to be a wolf in sheep's clothing. To look at the problem and face up to the problem is not enough. We need some statement of the government's solution to the problem. When the minister says that my colleague from Kootenay West is simply suggesting that they make a decision to do nothing, that is not in accordance with the facts. We are asking the government what it is going to do; we want to know what the government is going to do. More important,

we would like to make sure that the minister knows what he is going to do; and certainly there was nothing in his statement today that would indicate that he has any clear idea of what he intends to do about this problem.

The minister said that there is a serious problem and he has outlined it to the house. I take it, first of all, that the problem is not that the veterans hospitals have empty beds and are unoccupied. The minister says, instead, that bed occupancy is running around 75 per cent to 80 per cent capacity. That is normal occupancy for any hospital; anything much higher than that is too crowded for good administration. So there is no problem that there are empty beds or that space is going to waste. The problem is not the lack of good medical care at the present time. The minister says the problem lies in the fact that veterans hospitals in this country, like veterans hospitals in every other country, are gradually changing their function. This is to be expected. In the years immediately following the war, veterans hospitals were largely active treatment centres providing medical, surgical, nursing care and physiotherapy for veterans who had been badly wounded and were in need of active treatment. With the passage of time these hospitals are increasingly adopting a custodial care program of looking after long-stay cases and the chronically ill.

Mr. Speaker, we cannot brush this aside. The function of these hospitals has changed, but the importance of the problem remains, and I suggest to the minister that it will increase; that in the next 10 or 15 years, when the veterans of the last war are getting into their 50's and 60's, there will be a greatly increased number of applicants for admission to veterans hospitals. These will be burnt-out veterans and men who because of their war service will find in their later years that they require long-stay care.

The minister's argument is that because these hospitals have changed the nature of their function, this creates a problem of staff; that it is difficult to keep medical staff, who are naturally more concerned with active treatment care. This does pose a problem and it may mean a change in the kind of staff provided; because let us not delude ourselves, hospitals providing custodial care for the chronically ill need specially trained staff, as is proved by the geriatric centres that are being built in this country. They need the kind of staff that are specially trained to look after these particular kind of people. But the mere fact that these hospitals are changing their function does not mean they are no longer required.

What the government has to do, it seems to me, is to decide one of two things. Are these hospitals now going to become almost exclusively custodial care institutions to look after long-stay cases and the chronically ill? If they are, then both the staff and the equipment needs to be changed. The other alternative the government has is this. If these hospitals have such large investments for diagnostic equipment and diagnostic procedures that it would be a shame to waste it, then the policy ought to be to build custodial care institutions, move the veterans into those custodial care institutions, and leave in the present hospitals those who need active treatment—they will be a relatively small number and a diminishing number—and make arrangements to either take in civilians or enter into some arrangement with the local authorities so that active treatment centres can be used by both veterans and the general public.

The minister has made mention of the Saskatoon situation. There a very ideal arrangement has been worked out. In the University hospital space has been set aside and beds are reserved for veterans requiring active treatment. But the important point is that at the same time the government is building a hospital to provide custodial care for the chronically ill veterans; and until the latter is done, nothing can be done about the former. What concerns us is that the minister seems to be charging ahead with a program to dispose of veterans hospitals without telling us where the veteran long-stay cases who are there now are going to be cared for. If they are left in the hospitals they are in now, the hospitals are going to be 75 per cent to 80 per cent full, so where are the civilians going to go? If they are going to be moved out of those hospitals, where are they going to be sent?

I want to tell the minister that turning these hospitals back to the municipalities and the provincial governments means that all those veterans who are not receiving active treatment will be denied admission, of necessity, because the provincial governments do not provide under their hospital plans—except in one province—for custodial care for the chronically ill. The veterans who are in these hospitals now have to be assured that there is some place for them to go; and we have to be assured that the increasing numbers of veterans who will require long term care will be provided for.

If the minister were coming before this house to say it is the intention of the government to build hospitals to take care of the chronically ill veterans, hospitals that will cost less per bed because less expensive diagnostic equipment will be installed, and that when these institutions have been built

and the chronically ill veterans have been moved into them this will leave room in the active treatment centres—when that day comes the government is prepared to enter into agreements with the provinces and the municipalities so that whatever space is left in these active treatment hospitals can be made available to civilians, that would make sense; that would be a solution to the problem. But I listened very carefully to the minister this afternoon. He talked about dealing with the problem of each hospital on its merits; of the decision in each case being taken in view of the time, the place and the circumstances. This does not answer anything. Let us take the Colonel Belcher hospital as an example. Are the custodial care veterans in that hospital to be moved? If so, where are they going to go? If they are not going to be moved, then all the problems the minister has outlined concerning the difficulty of getting medical personnel who want to look after active treatment cases and not the chronically ill will still remain.

It seems to me that the minister is going at this whole problem the wrong way. It may be that his department has worked out a plan. If it has, the minister certainly has not outlined it to the house this afternoon. This is why I would support the idea which we have advanced several times during this session, namely that the whole question of veterans hospitals be referred to the veterans affairs committee, where the department can put its plans forward, where the veterans organizations can present their views, and where hospital and medical authorities can give us their opinions on this question. Then whatever the government's plan is, if it is going to continue to look after veterans adequately I am sure the house will go along with it.

We are not anxious to retain ownership or control. It does not seem to me that it is important whether an active treatment hospital is run by the Department of Veterans Affairs and civilians are allowed to use it, and the Department of Veterans Affairs gets paid by the hospital insurance branch; or whether it is vice versa and the municipality operates the hospital with the Department of Veterans Affairs being allocated a given number of beds which are reserved for the use of veterans. I do not think we ought to be arguing about this very minor point.

It seems to me that the important point, a point which appears to have escaped the minister entirely, is that you cannot take veterans out of active treatment hospitals unless you have some place to put them. That means building hospitals for the chronically ill; and until they are built it is simply absurd to talk of turning these veterans hospitals over to some other body. The government need not think that they can discharge their responsibility by turning these hospitals over to the provinces and the municipalities and then say: "Well, if there are not enough rooms for the veterans you can put the civilians out". Surely that is not a very satisfactory solution.

I want to emphasize a point which I think needs to be reiterated again and again, and that is that chronically ill veterans as they get older need custodial care. There is no place to equal a veterans institution. In the first place most of the provinces and municipalities do not supply that kind of facility anyway under the hospital insurance plan, so there are no facilities for them to go to. But even if there were it is of great importance that these men in their latter years should be able to spend their time in the companionship of their comrades with whom they served in the services. This is something to which they are entitled. It is bad enough for any man to spend years of his life, particularly the declining years, being a semi-invalid; the least we can do is to make those years happy so that he can have the companionship and association of men who have common memories and have had the common experience of serving together in Her Majesty's forces. This is why, before the government talks of getting rid of active treatment hospitals, it seems to me it has to embark upon a program of building hospitals for chronically ill veterans. When those hospitals have been established, if it is found that the number of veterans who need active treatment is relatively small, then the government has the choice either of reserving wings in general hospitals and providing for the care of veterans in those wings, or of turning over the veterans active treatment hospitals to the municipalities and reserving sufficient rooms so that those veterans who need active treatment care can be assured of getting it.

Mr. Teillet: Would the hon. gentleman permit a question. He is aware, of course, that I have stated that one of the conditions required would be that adequate facilities for chronic and long term care patients are to be made available.

Mr. Douglas: The minister said this in general terms, Mr. Speaker, but I have heard of no program, for instance, to build hospitals for the chronically ill veterans in, say, Calgary, where right now the minister's department is negotiating to turn over the Colonel Belcher hospital to the municipality. It is no use putting the cart before the horse. It is no use arranging to get rid of a hospital unless you have some place to take these veterans.

If the minister does not plan to place these patients in hospitals for the chronically ill, he will be leaving them in the Colonel Belcher hospital. If the number of beds in the Colonel Belcher hospital is reduced to 150, who will take care of the veterans who do not need active treatment but who do need custodial care in the years ahead? If the minister tells us that there are adequate facilities to take care of all these veterans and that all we need is to provide space for those requiring active treatment, then as far as I am concerned I am prepared to go along with whatever adjustments are necessary. But I am saying to the minister that he has not yet given us a clearcut statement of policy. The government has not brought down a program. I am not talking about words; I am talking about votes and expenditures which will make this program a reality.

Before the government goes any further I think it should refer this whole question to the veterans affairs committee, where the matter can be thoroughly investigated, where the minister and his officials can lay out the whole problem and their suggested solutions to it and where the veterans organizations and those most vitally concerned can make their views known to the members of the house. It has always been true that two heads are better than one, and in this case half a dozen heads and the experience of different organizations and people would very greatly aid in working out a suitable policy. Because after all, Mr. Speaker, this is a very important matter, as the minister himself has said; and I think he understands why the members of this house are concerned. It will be too late to do anything after the minister gets up on the orders of the day and announces that he has just turned over three or four hospitals to municipalities. The door will be closed and we will have embarked upon a policy from which it will be difficult to retreat. Once these hospitals have been turned over it will not be easy for the minister to retrace his steps. Therefore I urge him, before we start down a path that may have an uncertain and an unfortunate ending, to submit this whole question to the veterans affairs committee so that the policy which will emanate from that committee will be carefully considered, will be well thought out, and will be in the best interests of the veterans of this country.

Mr. John R. Matheson (Leeds): Mr. Speaker, I would think that if there were an admonition that we should bear in mind as we approach this very important matter it is contained in the words of Francis Bacon, when he said:

> He that will not apply new remedies must expect new evils; for time is the greatest innovator.

It seems to me that this poses the problem which is before this house today—the fact that time is the greatest innovator and that time does effect serious changes which require a government to be responsible and to face new problems as they arise. I am interested in this problem. I did not know I would be participating in this debate when yesterday I had a conversation with an amputee who had served with the Hastings-Prince Edward regiment. We had lunch at the Tri-Service hospital where we were both receiving treatment. He had his amputation effected after being wounded on the island of Sicily. Apparently at one time we were together in Ste. Anne de Bellevue military hospital. I speak on this subject with real interest because in Canada alone I have been in the following hospitals as a D.V.A. patient: Quebec military hospital; Montreal neurological institute, the veterans ward; Ste. Anne de Bellevue; the veterans wing of Kingston General; Kingston D.V.A. hospital; Christie st. hospital; Sunnybrook hospital, and the Tri-Service hospital on Alta Vista road here in Ottawa. I have been at some of these hospitals on several occasions. I have some dear friends who are still in these institutions.

I believe all hon. members will agree that conditions do change very radically. In the course of our conversation yesterday at lunch this veteran, who incidentally is carrying on a very good business in the Cornwall area, indicated some of the changes he had seen in the Tri-Service hospital even during the time he had been accepting medical care there. I am sure the veterans across this country are very much indebted to the Department of Veterans Affairs for the extraordinarily high quality, and personal interest, of the service given. I have been very much obligated for the care, for instance, of the prosthetic services branch wherever I have used these facilities across Canada. It seems to me these services are so good that before very long this parliament should consider whether or not they might be available to many more people than the small group of veterans who can presently use them.

There are very real problems with regard to the care of veterans. I do not believe in this debate we are being quite frank. It seems to me that, in some respects, services have already changed and the character and care in these hospitals has changed. There has been a reference to the veterans affairs committee. This committee has, over the years, attained the reputation of being non-partisan. In every part of the house there have been people who have made very valuable contributions to that committee.

I should like to refer hon. members to some of the evidence given in that committee on Tuesday, December 10, 1963. On that occasion Dr. J. N. B. Crawford, the director general of treatment services was called and was subjected to a line of examination, in the first instance, by the hon. member for Kootenay West. Let me just read these questions and answers into the record. Dr. Crawford said:

In June of 1960, I called a conference in Montreal of all chiefs of medical service in all the D.V.A. hospitals. We met here for one or two days and threshed out this problem.

This was a problem in June of 1960.

The consensus at that time was that the high proportion of older men in our hospitals certainly did have an effect on the quality of care which could be given in a hospital that was trying to be a general hospital.

Later, he told the committee:

I then wrote a paper or report for my minister in which I outlined the problem and proposed three possible solutions as I saw them at that time.

This, remember, is June, 1960.

The first was that we would admit to our hospitals a younger patient load.

Some hon. members suggested this as a possible solution.

The second possibility was that we would buy the services we required in the federal government from community hospitals, and in this way there was a possibility that D.V.A. hospitals which were potentially active treatment hospitals might be turned over to suitable agencies.

The third possibility was that we would carry on as we were doing, accepting the fact that we would thereby more and more come to be hospitals for the care of chronic diseases and for the provision of domiciliary care.

He stressed the fact that this meeting took place in the early summer of 1960. Since that time, we have had a number of ministers of veterans affairs. They were Hon. Alfred J. Brooks; Hon. Gordon Churchill and Hon. Marcel Lambert. I think perhaps hon. members of this house would be interested in the rather penetrating comments and questions that were put to the director of treatment services by the last Conservative minister of veterans affairs. Incidentally this hon. gentleman has made a singularly high contribution to this house, certainly in matters of national defence, as speaker and as a man with a good military record of his own; who went through the Dieppe campaign and who was a prisoner of war. The hon. member for Edmonton West (Mr. Lambert) is reported as follows on page 441 of the committee report:

On the other hand the Colonel Belcher hospital in Calgary being a modern grade A hospital has a great deal of its hospital population either chronically ill or domiciliary because you have no other facilities. Do you feel that this is the most economical use of such facilities that you have at the Colonel Belcher hospital and, undoubtedly, in some other parts of the country?

Mr. Crawford: The answer to that question Mr. Lambert, depends on one's breadth of vision. If in my vision I encompass the hospital needs of the entire community, then the answer is clearly no, this is not an efficient way of using hospital beds. If on the other hand I narrow my vision and say I am interested only in the treatment of veterans, then I can justify the use of beds in the Colonel Belcher by saying that we are using them for the kind of care that veterans need.

Taking the broader view, knowing that Calgary at the moment in respect of active treatment hospitals is very short, then I must admit that this is not an economical or efficient way of using the active treatment hospital beds.

I do not know what the real considerations behind the hon. member's questions were. Certainly, this appealed to me as being the most penetrating examination we can find in the committee of the director of treatment services. I continue to quote from the committee report:

Mr. Lambert: I had in mind the operating theatres and modern facilities which you do have at the Colonel Belcher hospital.

Mr. Crawford: This is what makes an active treatment bed, Mr. Lambert. A hospital bed is a hospital bed. The thing that is different in an active treatment hospital is the existence of these very costly and efficient ancillary services, such as X-ray, laboratories, operating room theatres and so forth.

Mr. Lambert: Have you any comment to make in respect of the situation where you are able to use general hospitals for disability treatment patients who are there, for instance, for a matter of surgery and can be treated in a surgical ward or surgical wing of a modern community hospital operated either by the municipality or some religious order or hospital board? I feel those individuals would receive better medical treatment under those circumstances than in a veterans hospital—

I just interject at this point that having been at Ste. Anne de Bellevue for many months—that is where I met my wife, who was on staff there—I can assure you that most veterans who have been in this hospital would agree with this view, that they cannot expect to get the same level of special nursing services and other services.

Mr. Crawford: In our veterans hospitals at the moment we have these specialist wards and we have the highly qualified treatment teams that are required to provide this excellent care. At the moment the sort of surgery that we do in veterans hospitals is as good as surgery done any place else. My concern has to do with my ability to continue this state of affairs.

Mr. Lambert: I am also concerned, Dr. Crawford, whether you can maintain that standard and whether you can continue to maintain that high specialized staff to provide this service, because you are in a very competitive market. I am wondering whether we can realistically view the future and decide that we can continue this program.

Mr. Crawford: That is exactly the theme of my discourse, Mr. Lambert.

I have served for some years as a governor of a hospital and as a member of the board of trustees of a university. As such I have been interested in medical facilities and in the operation of a medical school. As a matter of fact, the dean of the Queen's medical school at this time is Dr. Harry Botterell who cared for me at Basingstoke military hospital in England. I know the record of this man's performance as one of the top ranking neurosurgeons in Canada. After that I was cared for by Colonel Botterell for a time at Christie street and later at Sunnybrook and now it is my good fortune to be able to refer to him again because he is at a university training hospital, Kingston general hospital. He has pointed out repeatedly to the board of trustees of Queen's University the importance of integration of university and hospital facilities. Training and service go together.

What is the real problem we are facing today? Our veterans hospitals are more and more becoming institutions for the treatment or accommodation of the chronically ill. We have been told that 70 per cent of our patient population is now in this category and that the median age of the patient population is 67 years in spite of the 6 per cent of the population made up of young patients drawn from the armed services. What would the situation be, for instance, if it was not policy to send these young soldiers to the D.V.A. hospitals in order to provide some element of active treatment care? Seventy seven per cent of all patients in D.V.A. hospitals now are over 50 years of age.

I think it was the last speaker who commented that there is no place to equal a veterans institution for the care of these people. I want to say, with great respect, that I do not entirely agree with that proposition. One of my dear and respected friends, and a great friend of my father, was Colonel Fred Kemp. I remember going to visit this man many times before 1939. He was seriously wounded in world war I and he had three gallantry awards, including the D.S.O. and bar. This man lived for many years under D.V.A. care before he died. I want to tell the house that I always left that hospital shocked that a man who had been acclaimed as a distinguished hero of the first world war should be living in such circumstances.

The fact is that conditions for the care of veterans did not continue between the wars as we would have liked them to. It is true that we did our best. Often there was paint on the wall but in many cases there was a hunger on the part of veterans to be treated like other people and to have some of the benefit of the good facilities that go with a progressive active service hospital.

I emphasize again the importance of teaching. The fact is that there must be some sort of teaching facilities related to these hospitals. The best doctors want to teach medicine and the success of veterans treatment in the past has been largely due to close integration with medical teaching and the resultant ability to attract the best doctors and internes to the staff. Veterans hospitals are beginning to lose their attraction as teaching centres.

I might point out this fact because it is of some importance to people who care about hospitals generally. Ten years ago a young doctor seeking a higher specialist qualification such as F.R.C.S. could take all his required training in a veterans hospital. That is not so today. Today most of our hospitals are approved for only one year of required training. Therefore the tendency is for the candidate to apply in the first instance to a hospital where he can do his complete training.

It has become increasingly difficult to maintain the interest of treatment staff, especially to recruit new medical and nursing staff. Interest can only be maintained, even on the part of physiotherapists, if some way can be found to combine the treatment of veterans with the treatment of a younger age group. In saying this I am in no way suggesting that there is not very great importance attached to domiciliary care. I am simply pointing out the fact that there is a change, and a dynamic and useful ministry of veterans affairs has got to have the courage, notwithstanding the criticisms that will be bound to come to it, to adjust to change and to prepare for change.

As I see it, these changes are not going to occur overnight. I think this debate is a useful one because it is preparing the way, we hope, for a more serious and responsible examination of these problems by the veterans affairs committee in due course. The Brockville *Recorder and Times* of March 23 last had this to say:

> This consternation on the part of the organizations representing veterans is not likely to last, however, when closer scrutiny is given the reasons behind the government's move and just what such a move will mean to veterans.
>
> Veterans affairs minister Teillet and the government are merely following the recommendations of the Glassco commission, a commission authorized by the former Progressive Conservative government. Neither Mr. Teillet, nor the federal Liberal government, are about to betray the veterans as suggested by Gordon Churchill, former Conservative veterans affairs minister. Mr. Churchill must have overlooked the reasons behind the Glassco recommendations. This commission was of the opinion that in the gradual merging of veterans hospital services—

I stress the word "gradual".

> —and those of the general community lay greater hope of obtaining high standards of care for veterans over the long term.

The government is not proposing this move merely to save money—

If that were the case I would be opposed to it.

—but that beds in veterans hospitals, now empty, could be utilized by communities across the country. And unless this is done, the Glassco commission felt, the quality of medical care will fall from its high standard originally achieved.

With regard to emptiness of beds in veterans hospitals I would point out that we have the problem of Sunnybrook hospital where two wards cannot be staffed with nurses. With an establishment of 302 nurses there are only 206 employed and 48 of these are casuals not on the permanent staff. As a result it has been necessary to close two wards completely due to lack of staff.

Mr. Lambert: What capacity have those two wards?

Mr. Matheson: I cannot say what those wards were used for, but I remember Sunnybrook hospital as being one of the finest institutions in the mid-forties for surgery, internal medicine and almost everything else. Sunnybrook was the pride of the medical fraternity in Toronto. But now Sunnybrook hospital, although the salaries paid by D.V.A. to nurses are reasonably competitive with salaries paid elsewhere, just cannot get nurses because of the nature of the patient load.

Mr. Douglas: Where does the solution lie?

Mr. Matheson: When we look for a solution I think we have got to look deeply at the problem. I assure the hon. member I am not one to believe everything recommended by the Glassco commission. There are parts of the Glassco commission report with which I certainly do not agree. But let me touch on a few of the skeletal conclusions on which the Glassco recommendations are based. They point out that the Canadian expeditionary force in the first world war suffered heavy casualties and accordingly in world war II the government had every reason to expect that the volume of casualties would be larger. The result was that the government undertook a very busy program of renovation and construction so that we now have 11 D.V.A. hospitals scattered across Canada.

It was expected that the casualties of world war II would be substantially more than in the earlier conflict and this assumption proved to be false. However, a program of new hospital construction was undertaken on a large scale and since the end of the war older hospitals have either been replaced or in the main rebuilt. Therefore we now have these 11 veterans institutions with a total capacity of 8,408 beds.

[Mr. Matheson.]

The Glassco commission points out that in the past standards of medical care in these hospitals have been high. They state that the original aim of these hospitals was to provide for the grievously wounded—this touches on the point raised by the hon. member from the N.D.P.—and that therefore many of these hospitals were constructed with specialized surgical facilities and specialized neurosurgical and X-ray facilities. They certainly were not planned as domiciliary in character. If we are to continue simply according to the terms of the amendment with a policy of hands off the veterans hospitals, let things carry on pretty well as they are—

Mr. Churchill: No, make changes as time goes on. That is what I have said.

Mr. Matheson: Let me refer to the language of the hon. member for Winnipeg South Centre as found on page 2374 of *Hansard*. He said:

The stand our party takes is: Hands off the veterans hospitals—

Not only that, but we heard the same thing a few minutes ago from the hon. member for Bow River (Mr. Woolliams). He echoed almost exactly the same thing. His words were, "Our policy is hands off the hospitals." Let us take a look at what hands off the hospitals really means.

Mr. Churchill: Why don't you read from the second paragraph on page 2373, if you want to be fair?

Mr. Matheson: Perhaps the hon. member would be gracious enough to allow me to continue because I am rather rushed in trying to get my point across. What I am indicating—

Mr. Churchill: You do not want to be fair.

Mr. Matheson: —is that, right or wrong, the Glassco commission, set up by the former government, says that costs, if we carry on this way will rise materially and that the standard of care is bound to decline. As matters now stand the prospect is that by 1980, if no other war intervenes, if there are no casualties from Cyprus or from any other trouble we are going to have to spend an additional $200 million simply to double the present bed capacity.

We are going to have an increased operating budget for expenses alone of over $100 million annually. Further, the hospitals will be almost wholly occupied by patients requiring domiciliary care, and the quality of medical care will have fallen from the high standards originally achieved. Therefore the Glassco commission recommends that no further hospitals be constructed by the government as active treatment hospitals for war veterans; progressively, the treatment of veterans with pensionable disabilities be transferred to

public hospitals, with the cost borne by the federal government; that veterans with major pensionable disabilities who require chronic or domiciliary care continue to be a federal responsibility; that veterans without major pensionable disabilities now receiving chronic and domiciliary care at public expense be progressively transferred to community facilities under such financial arrangements as may be expedient and, finally, that active treatment hospitals now operated by the Department of Veterans Affairs, when cleared, be sold and converted into community hospitals under transfer agreements providing preferential admission rights for veterans with pensionable disabilities.

I am not agreeable to all these recommendations, and I am perfectly sure the government which I have the honour to support is not agreeable to all of them either. But I think it is only reasonable that a government that follows in succession, that follows the former administration, has to take a look at its Glassco commission recommendations and has to be guided by our director of treatment services, Brigadier Crawford, who apparently thought enough about this problem to have a conference in June, 1960, and apparently brought it to the attention of the responsible ministers Messrs. A. G. Brooks, Gordon Churchill and Marcel Lambert.

What about a little straight talk on this? I happen to have had the distinct honour to have got to know one veteran, and I think this is something that is germane to our discussion. He enlisted on August 21, 1939. He went overseas as an observer-navigator. He flew on 21 missions as navigator in Halifax bombers before being given the special assignment of pathfinder, which as we remember, represented an elite classification in bomber command. He was shot down on his third pathfinder flight between Reims and Chalons-Sur-Marne, not far from the Argonne wood. He was on the loose for two weeks, walking by night and hiding by day.

He passed through Paris on the underground, and was captured by the gestapo as he was about to swim across the river marking the boundary to unoccupied France. He was turned over to the German luftwaffe, spent two nights in jail in France, and was then sent to the infamous Stalag Luft III. He spent the balance of the war there, except for the final stages when he, along with many other prisoners, was put on forced marches in the month of January, when his nazi captors were retreating many hundreds of miles in the face of allied advances. I believe, because I lived with him for a year in the twenty fifth parliament, that Flight Lieutenant Teillet, who now adorns the office of Minister of Veterans Affairs, cares as much about the veterans of this country as anybody else, and I want to say how bitterly disappointed I am that any member of the house would suggest that this man has lost the confidence of veterans.

He is not the most diplomatic man in the world. Sometimes he was difficult to live with in the house, but he is one of the most honest and direct men I have ever met, a man with the blood of Louis Riel in his veins. I wish to say that I believe we are going to face this problem very honestly, and I do not think the government is going to move rapidly in any direction. I do not believe there can be a formula, a Glassco commission formula or any other, that can actually apply to all these institutions. When I think of Sunnybrook hospital, of which I am very fond, the Ste. Anne de Bellevue hospital or Kingston hospital, I am perfectly satisfied there should be an adjustment for some in one way, and for others some other arrangement.

This is an intricate and complex problem, which calls for the best and most sophisticated analysis possible, and I hope this matter will not be placed before the veterans affairs committee until a good body of material has been gathered for serious study. I believe we have done some fairly good work in committees in this twenty sixth parliament. I have seen the kind of work which the hon. member for Edmonton West (Mr. Lambert), as vice chairman of the defence committee, has done, with other hon. members, on the very difficult matter of defence, and the reason for the good work of that committee was because a lot of serious preparation had been undertaken and much material gathered before members of the committee began to meet.

It is in that spirit that we have to approach this matter of D.V.A. hospitals. The idea of veterans being sold down the river is ridiculous. We have presiding over this government as Prime Minister the first veteran of Canada who actually served in active service in war, a man who had a year and a half in the Gallipoli campaign and saw more people mangled, twisted and broken up than any other member in this house.

I suggest that the idea that the Minister of Veterans Affairs is going to treat this matter in a cavalier or casual manner is completely dishonest and unfair. I would ask the hon. member for Burnaby-Coquitlam who is a fair and very humanitarian person—I agree with many of the things he said—to believe the proposition, and perhaps I am speaking more personally than is in good taste because

I know the Minister of Veterans Affairs intimately, that for a period of some weeks and months he has been deeply concerned about this problem.

I am satisfied that the fears expressed by some members are groundless, and that what will ultimately develop will be to the credit of the Department of Veterans Affairs, and will be to the everlasting good and happiness of those people who are entitled in any way to D.V.A. assistance.

Mr. F. J. W. Fane (Vegreville): Mr. Speaker, I feel I must make a few remarks on this subject. I assure you I will not make many, and first I want to commend the hon. member for Calgary North (Mr. Harkness) upon his very fair and cogent address this afternoon. He put forward the matter of the Colonel Belcher hospital and the feelings of the veterans in a reasonable and precise manner.

I fail to see how veterans on the government side of the house can support the projected turnover of D.V.A. hospitals to other authorities. To hand over any of the facilities that the government of Canada is supposed to maintain for veterans, is definitely giving up their duty and responsibility to the veterans who made it possible for the country to survive even this long.

I speak as a representative of a constituency which contains at least 20 branches of the Canadian Legion, some of which hold numbers as early as 26, 33 and 35. I have had many telegrams from these branches of the Royal Canadian Legion and every one of them demands that the proposed hand-over of veterans hospitals to other organizations be not proceeded with and that everything possible be done to stop it. It may be that in the course of time it may be necessary to hand over certain parts of the responsibility of the government of Canada in this regard to other organizations, but I believe this must be gone into very carefully and very slowly. I just want to quote at this time from the address made yesterday by my hon. friend from Winnipeg South Centre (Mr. Churchill) in which he stated our outlook on this question. He said, as reported on page 2373 of *Hansard*:

> As I see it, the solution is to let things remain as they are, with such modifications in the care and treatment of our veterans as are acceptable to our medical advisers, to the veterans themselves and to the veterans organizations. If this means making provision for those who do not require active treatment right in the D.V.A. hospitals, then let us make that provision; but to seize on this other course of handing these hospitals over to other control is repugnant to me and is certainly repugnant to the veterans organizations.

That is the paragraph which the hon. member for Leeds (Mr. Matheson) would not read into the record. He chose to latch on to some other statement which he said my hon. friend from Winnipeg South Centre had made.

[Mr. Matheson.]

In this proposed hand-over of D.V.A. hospitals I wonder why the Minister of Veterans Affairs (Mr. Teillet) did not choose as a guinea pig Deer Lodge military hospital in Winnipeg, in the province from which he himself comes. Why did he choose the province of Alberta and, especially, the Colonel Belcher military hospital in Calgary? While I live some 300 miles away from the city of Calgary, now, my personal interest in the Colonel Belcher hospital is very great. I was one of the earliest patients in that hospital after it was organized and before that I was on the staff of the district depot in Calgary which was the forerunner of the present regional office of the D.V.A. in Alberta. I was there when this hospital was being organized. When the hospital was organized I was a patient and then I was on the staff of that hospital. So my interest in the Colonel Belcher hospital is very great. It was not the hospital then that it is now, because a new building has been provided. But it was the Colonel Belcher military hospital at that time. Even at that time the service there was the very best and I do believe that the idea of turning such hospitals over to other organizations is very wrong, because, as the minister said, even at present beds available in military hospitals are from 75 per cent to 80 per cent occupied.

The trouble seems to be that there is difficulty in getting sufficient staff. Well, as has been pointed out by the minister, the staff of military hospitals receive the same remuneration and have the same working conditions as, or perhaps better working conditions than those in many hospitals which are not D.V.A. hospitals. For the life of me I cannot see why it should be so difficult to recruit medical staff, that is, doctors and nurses, for these hospitals. The minister mentioned something about second class medical treatment which might be available later on. That is something I fail to understand, because the doctors and the nurses who enlist for work in military hospitals are dedicated people. They dedicate their lives to this great service, and people whose lives are dedicated do not provide second class service for anybody.

The minister also maintained that the situation is different in every part of Canada. I do not agree with that statement at all. Wherever you have a veteran in Canada, that veteran is in practically every case a man who had volunteered for service. This service was rendered without any idea of reward and it is the duty of the government of Canada to look after such people when they

need treatment. There can be no question about that. Handing over the medical services and the hospitals available to our veterans is just no good, because you cannot expect those who are looking after sick people to give the same consideration to everybody as they do to operative cases; and so many of these veterans are not now operative cases.

The veterans who will require hospital treatment are likely to increase in numbers in the next few years for the simple reason that the veterans of the second world war are now reaching middle age, and the results of their active service will begin to show, whether they were wounded or not; the results of the privations they suffered will begin to show. As for the veterans of the first world war, there are not as many of us left as there were. A great many will require treatment. This is not likely to be operative treatment, and where and how is this care to be arranged if we do not retain our D.V.A. hospitals?

There is no provision for the domiciliary care of veterans who are disabled, except in some places. The area which I represent is contiguous to the city of Edmonton. In that city there is not a veterans hospital. The veterans at the university hospital receive treatment in the Mewburn pavilion, and that pavilion is staffed by D.V.A. doctors. All the arrangements with regard to hospitalization are made and provided by the University of Alberta hospital, which is a child of the provincial government of Alberta. I have received a great many complaints about the provisions for hospitalization in that hospital, but I have yet to receive even one complaint about the medical or nursing attention. The complaint is with regard to the arrangements of the hospital and the lack of attention to veterans who are perhaps not operative cases. This is something that I believe could happen in all hospitals which may not be operated by the D.V.A.

I think that in the proposed turnover of these hospitals at this time the government is just trying to run before it walks. It is not making any provision for what is going to happen in the future, and the veterans would just be forced to take their chance on being looked after properly. I therefore am wholly in support of the amendment that has been moved by the hon. member for Winnipeg South Centre (Mr. Churchill) and I think every veteran in this house should also be in accord with that amendment.

I remarked when I began my speech, Mr. Speaker, that I would only say a few words. I have been longer than I intended to be, but I have said things that I believe must be said, and must be said by a person who is a long time veteran.

Mr. D. W. Groos (Victoria, B.C.): Mr. Speaker, I am very glad to have an opportunity to speak in this debate. I would like to say right away that, as a veteran, although I agree with some of the things that have been said during this debate from the other side of the house, I am not in favour of this amendment and I plan to vote against it. I will outline my reasons as I proceed, although I do not expect to speak for very long because I know there are others who have important things to say. However, Mr. Speaker, there are a few points that I wish to make.

First of all, I am a member of the veterans affairs committee and am concerned, having had the experience in that committee of a great deal of good will and free exchange of opinion, that this amendment will prejudice that good will by making this a political issue, that it most certainly is not. I think all of us on this side of the house, as well as those on the other side, are trying to do our utmost to look after the best interests of our veterans. I for one am satisfied from what the minister has said that our policy is to provide the best possible care for veterans even if this means making changes. I am also convinced that part of our policy is to consult with the veterans when the right time arrives.

My particular concern in this matter, apart from being a member of the veterans affairs committee, is that I have a veterans hospital in my riding, the Victoria veterans hospital. I can say from various studies I have made of this hospital that in my part of the country we are going to be in the veterans business for a long, long time to come, I would say probably longer than any other part of the nation, because the statistics show that, for one reason or another—and I believe it is because of the temperate climate which we enjoy out there—veterans from other parts of Canada gravitate towards Victoria in their later years. The census taken in 1961 shows that of all the male veteran population over 30 years of age, those living in the Victoria riding represent the highest percentage of anywhere in Canada; 42 per cent of all the male population over the age of 30 in the vicinity of Victoria are veterans. When we break this down even further, we see in the higher age groups, those of 65 years of age or over, once again we have the highest percentage in Canada. From age 60 to 64, 46 per cent are veterans; from 65 to 69, 53 per cent are veterans. This compares with a nationwide average of about 25 per cent to 28 per cent. So I am very, very concerned, Mr. Speaker, with the matter of veterans hospitals and their future.

In view of the figures which I have just given to the house, I would like to say that I agree with many of the points raised by the hon. member for Burnaby-Coquitlam (Mr. Douglas), particularly with respect to the chronically ill or domiciliary care patients. We have a great number of them in our riding. For some time past we have been getting together with the other hospital agencies in my part of the country and trying to work out means of using joint facilities. I think our experience in this regard has been very successful and I hope it will be copied in other parts of the country. I am not trying to claim that anything we do in my riding regarding the veterans hospital in Victoria can be duplicated exactly in ridings in other parts of the country, because I agree wholeheartedly with the minister when he says that the arrangements for the various hospitals have to be different because they have different circumstances. For example, we have the circumstances that I have just outlined; that is, a higher percentage of veterans than in other parts of the country. In some parts of the country this figures is as low as 8 per cent. However, it is not in every part of the country that the veterans hospital is fortunate enough to have a large public hospital immediately adjacent to it. We do. We have for some time been sharing some of our facilities between the veterans hospital and the public hospital, and to our mutual advantage. It is this sort of thing that I would like to see investigated, to see whether there is not some further advantage to be gained for the veterans by more of this type of co-operation. For example, the D.V.A. hospital in Victoria already uses the facilities of the Royal Jubilee hospital for the treatment of cancer. We use their psychiatric clinic, and they provide emergency services and share their laboratory facilities.

This is the sort of thing I should like to investigate in my riding to the benefit of all the veterans. It has been explained to me that there is all sorts of room for this type of co-operation. I am told that new techniques are being developed in medicine which require not only expensive equipment but also, and much more importantly, highly skilled and trained teams of doctors and nurses to operate the equipment. I fully realize there is no one in this house who would wish to deny the veterans the full advantage of the use of this type of equipment in an emergency. I know we would all vote the money to acquire such equipment, but we cannot vote the experience that these teams require. These teams have to be put together, and having been introduced to the equipment have to use the equipment and use it frequently so that they know how to use it properly when the time comes. I think that most doctors will agree with me when I say that these teams cannot be duplicated in every hospital across the country. It is much better to have a highly skilled team in one central position and to make it available to veterans when the time comes. This is the sort of thing I am looking for in any revision of our plans for veterans hospitals.

I do not want to take up too much time this afternoon, Mr. Speaker, but I should like to make two or three other points. An attempt has been made today to show that all veterans are against any change in policy. I do not think this is so. However, I must confess I have sympathy with the veterans who are not aware of what changes the government have in mind. I am also in sympathy with the minister, who cannot possibly approach the veterans with the changes which he has in mind until he has been able to consult with all the individual hospitals and work out solutions for each individual case so that he can present his plans to the veterans.

When I have explained this matter to the veterans groups in my riding they have accepted it in the way I would have expected. I have received over 1,300 cards from veterans as well as a number of letters from veterans organizations in my riding. These cards read:

I, the undersigned, a veteran, protest the handing over of the Victoria veterans hospital to any other administration.

I think hon. members will agree with me that 1,300 cards all worded exactly alike are some sign of an organized protest, and it is the kind of protest I welcome because it is the type of information which a member of parliament needs to show how the people are thinking. It is interesting to note that of the 1,300 letters I have received there are signs that perhaps this highly organized campaign is being a little over-organized. A number of these protests have been duplicated. Some people have sent in two or three protests bearing the same name and address, and I have had over 50 of my replies returned marked "Not known at this address". I tried to reply to these letters straight away when they first came in at the rate of some 200 or 300 a day, and I think I have replied to over 1,000 of them.

I might also point out that a number of these cards have been sent to me with the word "protest" crossed out and the word "favour" inserted instead, so that the card would read:

I, the undersigned, a veteran, favour the handing over of the Victoria veterans hospital to any other administration.

Or it might read:

I, the undersigned, a veteran, applaud the handing over of the Victoria veterans hospital to any other administration.

However, I do not attach any particular significance to this sort of thing, Mr. Speaker, other than that it goes to show that this objection is not a unanimous one. I have had letters from veterans who take the sane and sensible view, which I think is shared by many hon. members of this house on both sides, that it is time that at least a study was made of this problem so as to find out whether some changes should be made which would be of advantage to the veterans in some parts of the country. That is all we are looking for; at least that is all I am looking for. I want better care for our veterans, and I know of no one who will disagree with me on that.

I think, Mr. Speaker, that we can provide better care. One of the complaints that a veteran makes at the moment is that when he arrives at a veterans hospital he cannot always have his own doctor because the doctor concerned is not an accredited doctor at that hospital. It is surely better for a patient undergoing surgery in a hospital to have his own doctor who is well acquainted with the case. Then there is also the question of equipment to which I have referred. This new, highly technical equipment could be made available on a joint basis at a number of hospitals.

I should like to come back to the remarks made by the hon. member for Burnaby-Coquitlam, because I said that I agreed with a great deal of what he said. He was talking about domiciliary care. This is care which is in the main given to the older veterans, who comprise primarily the world war I group. All of these men have our profound sympathy. However, what I should like to see as a result of this debate is some clarification of the position of those undergoing domiciliary care. There is the suspicion that they are being treated only on sufferance, and I think that this suspicion must be removed. In particular, I think of the case of world war I veterans who fought under really awful, almost inconceivable conditions for months and months on end. There is no doubt, whether or not they were wounded, that this country owes them all a debt which we can never repay; and I for one wish to see them looked after in their old age even if it means that we have to provide domiciliary quarters for them under the operation of the Department of Veterans Affairs.

I have been making investigations in Victoria with the local groups to see whether or not this can be done. As has been pointed out on more than one occasion, the veterans are a very understanding group. They know perfectly well that it would be better for everyone concerned if, instead of occupying beds in a hospital each of which costs somewhere around $25,000 a year to maintain, they were occupying beds much more suitable for their circumstances, namely those designed for domiciliary-type care. Although I cannot say I have achieved any result yet, I am exploring the possibility of taking the lead and attempting to establish the groundwork for the provision of this type of domiciliary accommodation in Victoria. What a fine thing this would be for the veterans. What a fine thing this would be for the community, and for Canada. It would be wonderful if this type of accommodation were made possible through the three various levels of government.

I believe, Mr. Speaker, that the difficult position the minister is facing has been amply demonstrated here by the various suggestions that have been put forward by the various members from both sides of the house as to how he should accomplish his purpose. This demonstrates to me the extent of the problem. I should like to reiterate, however, that I am in complete sympathy with the minister in his search for a solution to the problem which unquestionably faces us. I want to say again that I am satisfied our policy is to provide the best possible care for veterans, even if this means making changes. I do not believe there are any members in this house who will disagree with that policy.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we have had a very interesting debate occasioned by the introduction of the amendment with regard to the possible transfer of veterans hospitals to provincial and municipal control. I say it has been an interesting debate, and I think it is understandable that varied feelings and convictions should be indicated in the discussion of a subject such as this one. I have followed with special interest the statements and interventions of those who have served in the armed forces. Some of us were not in that particular role, but possibly in roles that the national government considered essential to the successful prosecution of the war effort. Since we are dealing with veterans, as I say, I have been especially interested in listening to those who have served and who have expressed their views with regard to the matter now before us.

Possibly the first indication we had that something was moving in this regard was the report of the Glassco commission. This has been brought to our attention also and the various sections of it have been placed

on the record for public information. I believe, as was pointed out, that we must remember this was a task that was committed to the Glassco commission based almost wholly upon economic considerations. We are called upon to temper a report based purely upon economic considerations with the human elements that are involved in a situation such as the one now before us. Mention has been made of the announced policy or lack of policy indicated by the Minister of Veterans Affairs. I believe possibly he has to be blamed for not making forthright statements in this house in answer to the many questions that have been asked and the many submissions that have been made.

We waited for a long time before any statement was made outlining government policy. When that statement was made I fear that in many respects it was rather inconclusive, rather indefinite and left us very much in the dark regarding the policy the government intended to put into effect. When the minister made his statement on March 16, he outlined three main considerations that were to be kept in mind in relation to this important matter. As reported at page 930 of *Hansard* for March 16, the minister said:

> These conditions, three in number, are as follows: First, accommodation for the treatment of service connected disabilities among veterans must be immediately available at all times, and treatment must be provided in accordance with standards prescribed by the Department of Veterans Affairs. Second, community institutions of acceptable standards must be available to look after the work load created by other classes of veterans, which means that such veterans will be able to obtain treatment in their own communities, near their own friends and families. Finally, satisfactory arrangements must be made for the continued employment of professional and other staffs now serving in our institutions.

I believe, Mr. Speaker, that these considerations are very commendable, but as pointed out this afternoon, it would seem to me that specific steps must be indicated to ensure that these safeguards can be implemented and our veterans will continue to receive the high standard of service and treatment that they have received up to this time. We have all received communications with regard to this matter. I, personally, have received communications from various branches urging that we oppose any attempt to make this transfer of D.V.A. hospitals to other agencies.

A letter appeared in the April issue of *The Legionary* and it was directed to the Minister of Veterans Affairs by Mr. D. M. Thompson, dominion secretary of the Royal Canadian Legion. He had been instructed to convey to the minister certain requests. I am not going to read the letter, but I am going to read the requests that are made.

[Mr. Patterson.]

> (1) That no action be taken by the government in regard to the handing over of D.V.A. hospitals until the Royal Canadian Legion has had an opportunity to discuss this problem further with you;
>
> (2) That you give a definite statement on government policy regarding these hospitals and the provision for future treatment for Canadian veterans;
>
> (3) That this statement indicate clearly the government's future policy as it will apply to treatment provided under each of the general classification sections of the veterans treatment regulations;
>
> (4) That when this statement has been received and studied, the dominion president and elected officers of the Royal Canadian Legion be given an opportunity to meet with you and discuss this entire matter.

Now, Mr. Speaker, we are aware of the dangers that are inherent in such proposals as have been advanced. We can understand very well the fears of the veterans and those who are responsible for the welfare of the veterans. We can appreciate their fears. We would urge the minister, therefore, to go slowly in the implementation of these proposals which he has outlined or on the proposals that have been outlined by the Glassco commission. As I pointed out, the Glassco commission was operating from the point of view of economic considerations. I am sure the minister recognizes the fact, as does every member in this house, that the human element must be taken into consideration in the issue which is currently before us.

I suggest, therefore, that the government and the minister move very slowly in the implementation of this policy. Above all, I believe discussions should continue with the veterans organizations. We should try to reconcile their problems, dispel their fears and allay their suspicions that when the matter is finally proceeded with it will be with the knowledge that the veterans organizations have a clear understanding of what the minister has in mind, and the veterans will be assured that the treatment they may require in the future will be available at the time it is required.

As I have said, we have listened to veterans on both sides of the house and, as was pointed out today, the minister himself has a very laudable service record. The hon. member for Leeds (Mr. Matheson) also spoke, as well as members of the official opposition and others on this side of the house. All of these hon. members have laudable service records. Yet we see how widely divergent their views are with respect to this problem.

I do not think we can charge the government with being oblivious to the needs of the veterans. I do not think we can charge members of the opposition with making this matter purely a political football. I think we must credit each and every member with a sincere motivation so far as this question is concerned.

I simply wish to point out the fact that the veterans themselves hold widely divergent views with respect to this problem.

I think this points up very clearly the importance of further negotiations and discussions in an endeavour to resolve the problem and find some common ground of understanding before we proceed in this fashion. Once again I urge, as I did on a previous occasion when this matter was first broached by the minister, that the committee on veterans affairs be seized with this problem. The committee can then call before it members of veterans organizations and others who want to present opinions, suggestions and proposals. I believe that in this way we can resolve the problems involved and find a satisfactory solution to them.

I do not believe that this matter should involve a want of confidence motion so far as the government is concerned. I think this is a rather radical and drastic step because I believe that through co-operation and the pooling of the suggestions, knowledge and understanding of those who are vitally concerned we can arrive at a satisfactory solution, one which will, as I have said, allay the fears of the veterans and still provide for any change in the administrative field that is considered vital and important at this time.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to say a few words in support of the amendment of the hon. member for Winnipeg South Centre (Mr. Churchill). I am prompted to do so for three reasons, first, because of my medical training, second, because of the great number of veterans who have written me and sent me telegrams as well as communications even from civilians and, third, because I believe the veterans hospitals across Canada are serving a very useful function in looking after our veterans and are also doing great work in the field of research.

We have in Canada today over 200,000 veterans who are entitled to treatment. There are approximately 8,500 beds in the 11 veterans hospitals across Canada and when we look at the record we find that there were approximately 75,000 admissions last year which produced a case load of approximately 80 per cent usage of available hospital beds. This is a reasonable average considering that the length of stay of the veterans was approximately three weeks.

I also want to emphasize that the veterans hospitals are well equipped. On the basis of knowledge I can refer to Sunnybrook, and on the basis of advice received to Shaughnessy. They not only have the finest of equipment, but in the case of Sunnybrook members of the staff are associated with the University of Toronto. Their staffs are the finest in Canada. These hospitals are doing a tremendous job not only in the work they are carrying on but in the training of young doctors who go forth with excellent training to treat people across the country.

The veterans in these hospitals make ideal cases for study and treatment. They can be given the most modern medical and surgical treatment in these hospitals but, above all, their cases can be followed up over the years to see what the results of the treatment may be, which may be very difficult in respect of the civilian population. The veterans are also unique in relation to the civilian population in that most of them have suffered the stresses and strains of war. Many of them have hidden injuries that do not appear until years later. They are a special group of people because the civilian population has not undergone the hidden stresses and strains of war. Only a veterans hospital with a veterans outlook and staffed by people such as work in these institutions will have the proper perspective to look after these people and give them the best treatment.

I want to refer for a few minutes to the general hospitals. General hospitals are active treatment hospitals. Their patients stay from 10 to 12 days, I suppose, but they are active treatment hospitals in that the cases they deal with involve people who are acutely ill medically or who need emergency operations or who have been involved in accidents. I would remind the house that 12 per cent of all the beds in general hospitals today are occupied by accident cases. Today most of our veterans are over 35 years of age.

I call it six o'clock, Mr. Speaker.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: Before we call it six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows: First, the proposed renewal of the law dealing with the construction of a railroad in Gaspe, raised by the hon. member for Joliette-L'Assomption-Montcalm; second, the question of the adoption of a new flag for Canada and the placing of such design before parliament, raised by the hon. member for Cumberland: third, the question of raising pensions of superannuated civil servants in accordance with increases in the cost of living index, raised by the hon. member for Winnipeg North Centre.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

BUSINESS OF THE HOUSE

Mr. Speaker: If hon. members would permit me, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) had submitted two questions for discussion at ten o'clock, and at six o'clock, due to inadvertence, one of them was selected whereas he preferred the other one to be discussed. I have spoken to him since, and to the minister concerned, and instead of discussing the railroad in Gaspe I have decided that the subject of Cyprus should be discussed. There is no change in the member and no change in the minister. It was due entirely to confusion existing at six o'clock.

Mr. Pickersgill: Mr. Speaker, I might say I am bitterly disappointed.

SUPPLY

The house resumed consideration of the motion of Mr. Favreau (for the Minister of Finance) for committee of supply, and the amendment thereto of Mr. Churchill.

Mr. Rynard: Mr. Speaker, before the house adjourned at six o'clock I had stated that veterans hospitals were well equipped and that they were well staffed. For example, the Sunnybrook hospital has many excellently trained men, and I had stated its consulting staff was of the highest professional skill and training, that the hospital carried on with well kept records, a great deal of scientific research, that young graduates in medicine received a splendid internship there, and that the veterans received the most modern treatment they could have anywhere in Canada in an environment suitable to them.

I might have added further that many teaching postgraduate courses have been held there, which have brought in doctors from many hundreds of miles away, and all the doctors I have talked to have stated these were fine teaching courses and were of great benefit to them in their practices.

Now, having said this, I want to draw a distinction again between active treatment hospitals, as general hospitals are, that deal with the acutely ill both medically and surgically, and 12 per cent of whose beds are taken by accident cases and, on the other hand, treatment hospitals for those chronically ill, either surgically, medically or mentally. Mr. Speaker, I would like you to consider that between the ages of five to 35 years the biggest cause of illness and death is accidents.

After the age of 35 the picture changes and we find that people suffer cardio-vascular diseases, cancer, and rheumatic disorders, and other chronic disease. In Canada today we have 1,400,000 people with heart conditions, 350,000 of whom are seriously handicapped, and 72,000 of whom die annually from this disease. Cancer is the next biggest killer, claiming 50 per cent of all its victims. It is not good enough, to write off half of all its victims. Rheumatism and arthritic diseases affect over another one million people, 285,000 of whom are handicapped and 63,000 of whom are hopelessly crippled.

I could go on to state that custodial care is not good enough or adequate enough for a record like this, when we have those great killers striking people after the age of 35 years. We have a population including veterans that is gradually getting older and we must funnel our research and efforts into those cases we are likely going to get anyway.

There must be a constant struggle to achieve the best methods of treatment. Custodial care should be reserved only for those who have no hope of cure. General hospitals have recognized this and have constructed their own arthritic, physiotherapy and mental units close to or as part of the hospital. We require more and more chronic disease beds, and more active treatment going on all the time, if we are to control disease in a population that is constantly getting older, with more people moving into the age group above 35 years.

Veterans hospitals play a very important role in this phase of research and treatment. Let us keep the veterans in their own hospitals, within their own environment. Surely those who went into the army, navy or air force and took the chance of giving their all, and who bear the scars of their adventures, should get the best treatment possible in the best environment it is possible to give them. This will give them the best chance of recovery, by providing them with a happy environment among their old pals who understand them and who fought with them.

This is their right. This is their due, and all of us will not only feel that justice is being done but that some research carried out in those institutions may in the long run save the lives of many human beings. The veterans are entitled to have consideration. In the troubled world of today, the world of the cold wars, we have Canadian troops in quite a few places overseas. Just recently we sent troops to Cyprus, and on more than one occasion it has been suggested that Canadian troops adopt a greater police role. This means, in the event of the outbreak of conflict, that we may need more and more hospital beds.

Therefore I appeal to hon. members, regardless of their political affiliations, for a reconsideration of the rights of veterans across Canada. It is not true to say that we have lots of beds available for them in general hospitals. This is evident right across the country, and it is a complete hoax to say otherwise. The veterans must be treated in their own hospitals and given the best treatment possible.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in the two or three minutes available to me I would like to add my voice to the veterans organizations urging the support and maintenance of our veterans hospitals. The minister may not be aware of why we have these hospitals, but each veteran is, because he figures that the hospitals operated by the Department of Veterans Affairs are ones that were promised to him. These are not hospitals in the true sense of some civic administration, and civic authorities are not capable of operating them.

At one time I was in the old Christie street hospital and I know some people who spent their lifetime in it. They felt it was not a hospital but a home to them. The minister may be a separatist; he may be one of these Liberals who believe in dividing everything up, but I am not.

I believe that as long as we are Canadians we have a responsibility toward those who served us in two world wars and who may be asked to serve again in the future. We have to honour our commitments. Everybody knows that commitments which were undertaken by the previous government were honoured by the minister who was in office at that time. But the hon. gentleman who now holds office is not honouring them; he is entering into arrangements with the provinces and municipalities rather than face up to the task. He has an obligation in terms of the unity of this nation and of the veterans charter, to bring his proposal before the veterans affairs committee. I venture to suggest he has done more thinking about this problem in the last two days than he has done in all the time previous to this debate.

I know some people are committed in this house to voting with a particular object in mind, such as whether to sustain the government. But I believe anyone who gives any thought to this matter will consider this issue to be a major part of the veterans charter and will feel obliged to vote for the amendment before us tonight.

Mr. Speaker: It being 8.15 p.m. it is my duty to interrupt these proceedings and put forthwith the question on any amendment now before the house.

Division

The house divided on the amendment (Mr. Churchill) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Bell
Bigg
Brewin
Cantelon
Cardiff
Chatterton
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Dinsdale
Doucett
Douglas
Enns
Fane
Fisher
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Grafftey
Gundlock
Hales
Harkness
Herridge
Howe (Hamilton South)
Howe (Wellington-Huron)
Jorgenson
Kennedy
Kindt
Knowles
Korchinski
Lamb
Lambert
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Martin (Timmins)
Martineau
Mather
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Ormiston
Pascoe
Paul
Peters
Pigeon
Pugh
Rapp
Rheaume
Ricard
Rynard
Scott
Simpson
Slogan
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Webster
Willoughby
Winch
Winkler
Woolliams—94.

NAYS

Messrs:

Addison
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Beaule
Bechard
Beer
Belanger
Benidickson
Benson
Berger
Blouin
Boulanger
Boutin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cantin
Cardin
Caron
Carter
Chapdelaine
Choquette
Chretien
Cowan
Crossman
Davis
Deachman
Deschatelets
Drouin
Dube
Dupuis
Emard
Favreau
Forest

Division

Forgie	McWilliam
Foy	Marcoux
Francis	Matheson
Gauthier	Matte
Gelber	Mitchell
Gendron	Moreau
Godin	Morison
Granger	Mullally
Gray	Munro
Greene	Nicholson
Gregoire	Nixon
Groos	O'Keefe
Guay	Olson
Habel	Patterson
Hahn	Pennell
Haidasz	Pepin
Harley	Perron
Hellyer	Pickersgill
Jewett, Miss	Pilon
Klein	Plourde
Konantz, Mrs.	Prud'homme
Lachance	Richard
Laing	Rideout
LaMarsh, Miss	Rinfret
Lamontagne	Robichaud
Lamoureux	Rock
Laniel	Rondeau
Laprise	Rouleau
Latulippe	Roxburgh
Laverdiere	Ryan
Leboe	Stewart
Leduc	Tardif
Lessard (Lake St. John)	Teillet
Lessard (St. Henry)	Temple
Lloyd	Thompson
Loiselle	Tremblay
Macaluso	Tucker
Macdonald	Turner
Mackasey	Wahn
MacNaught	Walker
McIlraith	Watson (Chateauguay-Huntingdon-Laprairie)
McLean (Charlotte)	Whelan—123.
McMillan	
McNulty	

Mr. Speaker: I declare the amendment lost.

[*Translation*]

Mr. Cyr: Mr. Speaker, I was paired; otherwise I would have voted against the amendment.

[*Text*]

Mr. Cashin: Mr. Speaker, I was paired. Had I not been paired I would have voted against the amendment.

Mr. Fairweather: Mr. Speaker, I was paired with the hon. member for Halifax (Mr. Regan). Had I voted I would have voted in favour of the amendment.

Mr. Clancy: In the interest of all, could we have the result of the vote announced in French?

Mr. Nielsen: Mr. Speaker—

Mr. Speaker: Order; an hon. member wishes to have the result of the vote announced in English and French.

En français: en faveur, 94; contre, 123.

In English: Yeas, 94; nays, 123.

Mr. Clancy: Thank you, Mr. Speaker.

[Mr. Speaker.]

TRANSPORT—AIR SERVICE, FERRY SERVICE, RAIL LINE ABANDONMENT

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to raise a grievance concerning this evening a most important minister on the treasury benches, the hon. Minister of Transport (Mr. Pickersgill). It concerns, sir, what we feel to be a complete lack of any co-ordination in national transportation policy, involving transportation by air, by rail and the marine services in this country. There are others on this side who will be dealing with the question of rail transportation, and also with national policy concerning the marine. I intend to deal very briefly with our national air policies.

I may say, sir, at the outset that the reason which prompted the raising of this grievance is the complete lack of any clear answers to questions which members over on this side of the house—

Mr. Pickersgill: Mr. Speaker, I wonder if I could implore for the hon. member for Yukon (Mr. Nielsen) a little silence in the house so that the few of us who would like to hear him will have the opportunity of hearing him; perhaps the other hon. members may enjoy themselves more in the lobbies. While I am on my feet perhaps I can implore the hon. gentleman to state precisely what his grievance is so that I will be able to make a good rebuttal.

Mr. Lambert: Don't be so sanctimonious.

Mr. Deputy Speaker: Order, please. May we have order in the house.

Mr. Nielsen: First of all, Mr. Speaker, I wish to thank the minister for his intervention. I often wish I had the ability of the hon. member for Bow River (Mr. Woolliams) to make myself heard in this house, but unfortunately I am not endowed as graciously as he is with such attribute. The other thing I should like to say to the minister is that I intend to raise these issues this evening on a sufficiently broad basis that all hon. members will be able to participate in the discussion of the minister's responsibilities. I shall do so in a fashion with which the Secretary of State for External Affairs (Mr. Martin) is extremely familiar. There should be, therefore, no lack of opportunity for hon. members to participate in this grievance.

Mr. Pickersgill: I wonder if the hon. gentleman would permit me to ask him a question? Does the hon. gentleman not think that in ranging so far afield he would be anticipating the debate on my estimates, and thus ruining it?

Mr. Nielsen: I do not think that will be the result at all, Mr. Speaker, because there have been innumerable questions asked in this house concerning the abandonment of rail line facilities, for instance, and this piecemeal attack on a national problem which is of great concern to almost every area in Canada. I believe this is a grievance which should be raised and should be dealt with at this time.

Mr. Pickersgill: It should be dealt with tomorrow.

Mr. Nielsen: The minister has already given us a hint as to which estimates will be considered tomorrow and the end of the week. In so far as marine services are concerned, again there have been sufficient inquiries on orders of the day about ferry systems in this country and the lack of other marine services to warrant these questions being dealt with now.

In so far as air services are concerned, there has been question after question directed to the minister with regard to air services across Canada to which no answer was received, or an evasive answer was given. This period will provide the minister with an opportunity of satisfying all the concern that is felt in the country with regard to these various transportation problems.

Mr. Woolliams: Do you not think it would have been a good idea if the Minister of Agriculture had been here because he looks after rail abandonment?

Mr. Pickersgill: That is anticipating legislation, and that is against the rules.

Mr. Nielsen: Before allowing this tangential debate to develop, I think perhaps I should direct my attention to the specific subject with which I am going to be dealing in the next five or six minutes, and that is the lack of any co-ordinated national air policy in the country. I am sure the minister has received innumerable representations from aviation organizations across the country dealing with all sorts of problems which confront not only the air lines but general aviation in Canada today.

I think we are lagging far behind some of the more forward looking nations of the world in the development of a national air policy. I know the minister has been extremely busy in looking after such matters as redistribution, but I feel it is essential that immediate attention be directed to the establishment of a national aviation policy which will be directed toward the growth rather than the retardation of aviation in Canada. At one time Canada was one of the leaders in this field. I feel we are rapidly dropping into the position of a second-rate nation in the field of general aviation.

One of the matters to which I believe the minister should give consideration is the subject of a national air organization similar to those international air organizations in which Canada participates. I am thinking specifically now of ICAO and IATA. On the civilian side, we have the international council of aircraft owners and pilots, the international federation of air line pilots, and the like. I am thinking also of the federal aeronautical international association. What appears to be happening, and I am sure the minister is aware of this—

An hon. Member: He is not even listening.

Mr. Nielsen: I do not know whether or not the minister is listening. You know, he refuses these briefs from the associations, he does not appear to be listening to them, and likewise he does not appear to be listening this evening. I suggest to the minister these are matters that are of sufficient importance that they would call for all his concentrated attention, because they are of international concern.

Mr. Pickersgill: I was following the hon. gentleman very closely.

Mr. Nielsen: I am sure that the minister will be interested in one or two very brief points I shall be making. As I was saying at the time when perhaps the minister's attention was distracted, the establishment of a national organization should be considered for the purpose of considering general aviation matters in this country, in the same way that ICAO and IATA have been set up. We have all sorts of international representation from the civil side of aviation in this country, but we do not have any national association or national body upon which representation of general aviation in Canada can be heard. All we have is this assistant deputy minister for air and the air transport board. There is no representative within any of these organizations for the airing of opinions and views of general aviation in Canada. Of the approximately 6,500 aircraft registered in Canada, some 90 per cent are owned and operated by private individuals and organizations. However, these people are not represented on any association set up for the purpose of presenting views to the government.

If the minister does not agree with setting up a Canadian aviation council or aeronautics commission of Canadian origin upon which would be represented the views of general aviation in the country, perhaps he would consider representation on the air transport board of the views of general aviation by including

in the composition of that board representatives from the charter operators, and from the Canadian owners and pilots association within Canada. The air transport board has done a marvellous job in the contribution they have made to the organizing and orderly development of aviation in this country. At the same time it is still an exclusively government body. We recall that Hon. George Hees established a Canadian airworthiness council on which there were representatives from de Havilland, from insurance companies, from T.C.A., from the maintenance people, parts and supply people, and so on. However, there was not a representative from the 6,500 odd private aircraft owners in the country. I am going to leave that suggestion with the minister, that he give immediate and serious consideration to the setting up of a Canadian aviation council as a first step toward the development of a national air policy in this country which would be truly representative of the views not only of the air line companies but of general aviation.

In so far as rail line abandonments are concerned, I may say that I have no problems of that nature in my own constituency. I have problems, rather, with the construction of railroads themselves. However, I have heard members on several occasions bring this matter to the attention of the minister, and particularly the piecemeal disintegration of the railroad system in this country. I feel this matter is sufficiently important for the minister to stand up and declare some sort of cohesive integrated policy which will not only satisfy the innumerable questions that have been put to him but will reassure the house that we are not abandoning the very essential services which the railways provide, particularly to the grain growing part of our country.

The other matter which I want to include in this grievance has to do with an over-all marine policy for the country, perhaps along the lines—

[*Translation*]

Mr. Gregoire: Mr. Speaker, I rise on a point of order. I realize that for a while the hon. member for Yukon (Mr. Nielsen) has been speaking on policy or rather on the general principles of the government policy about transport matters. Well, I wonder if this is a grievance matter, or rather a gap to be filled as far as government policy is concerned.

To my mind, a grievance is a complaint not against general principles of administration, but against any damage suffered or against some very dangerous thing. And the dictionary will confirm this definition.

[Mr. Nielsen.]

Now today there are some complaints, not on specific grounds with regard to something damaging or very dangerous, but about the general principles of government policy. Consequently, I wonder if this is a true grievance, because we, in this corner of the house, would have real grievances to submit to the house, and since the beginning of the period set apart for grievances, we have heard the hon. member from the Yukon advance fine arguments and resort to great flights of oratory. Yet, I do not think that he raised a grievance, but rather that he is discussing the general government policy in matters of transportation.

Therefore, Mr. Speaker, I wonder whether this short period of time should not be left to those who have real grievances, more particularly in view of the fact that the official opposition may have criticized this government's policy with regard to veterans' hospitalization, and that we did not have the opportunity of airing our grievances in the house during the two days set aside for discussing the first item of the subsidies.

Mr. Speaker, we would like to take advantage of the few minutes which are left to air our grievances. We think that the hon. member for the Yukon should submit a real grievance to the house or that Your Honour should declare the grievance raised by the hon. member irregular, and enable us to put well-founded grievances before the house.

Mr. Deputy Speaker: I listened attentively and with interest to the argument that the hon. member for Lapointe has just put forward.

I also followed with attention the remarks of the hon. member for Yukon, with respect to the grievance he raised in the house. Right from the start, the hon. member said that his grievance was related to a lack of co-ordination in the government policy in the field of air transportation and, in my opinion, such grievance can be considered during the period specially allowed for that purpose. In fact, I suggest that the hon. member for Lapointe refer to the first paragraph of citation 234 of Beauchesne, fourth edition, which reads as follows:

[*Text*]

When such motion is proposed, it shall be permissible to discuss any public matter within the powers of the federal parliament or to ask for the redress of any grievance.

[*Translation*]

As the hon. member can see, it provides a rather wide scope for debate, and I am of the opinion that the hon. member for Yukon is within the rules in submitting his grievance to the house.

[*Text*]

Mr. Moreau: On the point of order, Mr. Speaker—

[*Translation*]

Mr. Gregoire: Then, Mr. Speaker—

[*Text*]

Mr. Deputy Speaker: For the sake of good order perhaps we might allow the hon. member for Lapointe to speak. From the way he introduced his remarks I understand he has just one word to say.

Mr. Gregoire: Mr. Speaker, I just wanted to ask the hon. member for Yukon if he would allow me a question.

[*Translation*]

Could the hon. member tell me whether the transport situation is worse today than it was just a year ago, when the Conservative party was in power?

[*Text*]

Mr. Nielsen: Before answering the facetious question of the hon. member for Lapointe, Mr. Speaker, I should like to say that there seems to be a misunderstanding of the nature of the grievance I have raised. I have not raised a grievance relating specifically to the lack of national air policy but rather to the complete lack of any transportation policy including not only an air policy but a rail policy and a marine policy. I want to make that quite clear.

Mr. Deputy Speaker: I might say that when the point was raised by the Minister of Transport at the outset of the remarks of the hon. member for Yukon that his grievance should be specific the hon. member did say in reply to the point raised by the minister that specifically he was dealing with air transportation policy. If the hon. member is the only one who has this particular grievance I might say that this will not preclude other members from raising another grievance with reference to another aspect of transportation policy.

Mr. Nielsen: Like the Minister of Transport, I want at all times, of course, to be strictly within the rules of the house—

Mr. Pickersgill: You are learning.

Mr. Nielsen: —but I must say that when the minister raised the point first I replied that I intended to discuss as a grievance the complete lack of any integrated or co-ordinated national transport policy, air, rail and marine. I made it quite clear that this was the specific nature of the grievance. I went on to say that several members on this side of the house had raised questions concerning rail line abandonment. I dealt with that question first. Then I went on to deal with matters concerning ferries and other marine matters that have arisen in the past several weeks in the house to which no satisfactory answers or evasive answers have been given. I dealt lastly with the question of air transportation. So I feel there should be the widest possible latitude allowed to all members in discussing these three aspects of the complete lack of a national transportation policy, air, rail and marine.

Mr. Pickersgill: I wonder whether the hon. gentleman would permit me to ask him a question. Is the hon. gentleman entirely satisfied with the telegraphic and telephonic communications in the country? He seems to have left something out.

Mr. Nielsen: Hardly, Mr. Speaker. I just did not want to throw in the kitchen sink, even though questions I have asked on the order paper with respect to telecommunication systems in the country have received absolutely no answers. I refer specifically to the program "Telepol". If the minister will refer to that question I think he will know what I mean. I could have dragged in two hotels that come under the minister but I did not do that.

Mr. Pickersgill: What about the meteorological services?

Mr. Nielsen: All I want to do, and in the least possible time, is to draw the attention of the minister and members of the house generally to the fact that the transportation situation in Canada today is an absolute and complete mess and I think the minister is largely responsible for it. He said he was going to bring in a national transportation policy.

Mr. Gregoire: Mr. Speaker, I should like to know if the hon. member for Yukon is going to answer my question. He told me he would answer it.

Mr. Nielsen: I did not think the hon. member was serious in his question but if he wants an answer in the nature of his question I can only say that more was done in six years with regard to transport matters under the Conservative administration than was done by the Liberals in 20 years.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please. The hon. member for Yukon has the floor.

Mr. Nielsen: I do not mind questions but I know that other members want to take part in this debate and if I may be allowed to complete my remarks as quickly as possible I can do so in two or three minutes. I have already

drawn the attention of the minister to my suggestion that he set up, as part of the government complex that governs air policy in this country, a Canadian aviation council or aeronautics commission upon which there would be representatives of the owners and operators who do 90 per cent of the flying in this country. This is a demand that has been made over and over again, and the minister would be well advised to allow his deputies and assistant deputies to devote themselves to other specific problems and, by the establishment of such a commission, allow some consultation to be had on the problem of the growth of general aviation.

Now, Mr. Speaker, I was dealing with rail line abandonment. I had been disturbed by the number of questions asked in the house about the piecemeal disintegration of our national railroads in areas which will be seriously affected economically if a halt is not called to the indiscriminate abandonment of these rail lines. I think there are other hon. members more qualified to deal with this subject than I.

Mr. Pickersgill: I would think so.

Mr. Nielsen: But I raise it as a grievance so that it can be dealt with, and I would remind the minister it is still part of my concern because it is a national transportation matter.

Similarly, I have heard questions asked of the minister with regard to the ferry systems throughout the country. The hon. member for Saint John-Albert (Mr. Bell) has a motion on the order paper calling for the reviving of the Canadian merchant marine, and questions have been asked of the government along these lines, questions which have not been answered or, if answered, the answers have been evasive. I know it is extremely difficult for the minister to be specific in answering these questions, but I hope he will be as generous in his answers to hon. members who will follow me on this particular grievance as he would have expected of those answers given to him when he was sitting on this side of the house, when he became so indignant when he did not receive the type of answer to which he felt he was entitled.

Perhaps it would help the minister in the transport problems that beset him if another Kent were hired for him, in order to coordinate the efforts of his department. Maybe the responsibilities placed upon the minister are too much for him to handle, or perhaps in his new role as the acting Prime Minister he has too many other responsibilities to deal with, and it is difficult for him to give full attention to the responsibilities of his department. Whatever the trouble may be, I suggest some immediate solution is required, and I urge upon him the specific suggestions I have made with regard to air transport. I am sure those who follow will deal more adequately with railway and marine problems.

Mr. D. G. Hahn (Broadview): Mr. Speaker, the hon. member opposite has raised the whole field—

[*Translation*]

Mr. Gregoire: Mr. Speaker, on a point of order.

According to the citation from Beauchesne's which you read very well in English a short while ago—I congratulate you for being perfectly bilingual—after the question has been put, it is time to set forth grievances and not to reply to them. No rule says that it is the proper time to reply to grievances as the hon. member is going to do.

Mr. Speaker, I very humbly submit that this period is reserved for opposition members who have grievances to make against the government, and not to government members who want to defend themselves against some grievances.

Mr. Dupuis: Let him speak to see what he has to say.

[*Text*]

Mr. Hahn: On the point of order, Mr. Speaker, how come the hon. member knows that I am replying to a grievance when he has yet to hear what I have to say?

[*Translation*]

Mr. Deputy Speaker: According to the custom of the house, the grievances period is not reserved for one particular hon. member or one side of the house to the exclusion of others. I think the hon. member for Broadview is entitled to answer, if he so wishes, to grievances expressed by others or to state his own grievances.

Mr. Gregoire: Mr. Speaker, must I conclude that, according to standing orders, the hon. member is allowed to speak only if he wants to raise a grievance? That is what the standing orders say, Mr. Speaker.

Mr. Deputy Speaker: No, as is customary the debate on a grievance must be carried on till the subject has been exhausted. There is nothing in the standing orders or in precedents in the house which prevents an hon. member on the government side to speak during the debate on a particular grievance.

[*Text*]

Mr. Hahn: Mr. Speaker, before I was slightly rudely interrupted I had started to say that the hon. member opposite had raised as his grievance what he called the mess in transportation and in transportation policy.

The first thing I would like to state, and this is not the general gist of my remarks, is that at this stage we are essentially carrying forward policies that were in existence when we came to power. Therefore, if there is a mess, who created it?

It is not my intention to deal with the whole field of transportation policy. The hon. member opposite wears a pair of wings and is obviously some sort of junior birdman. I too have wound up a pair of rubber bands and propelled myself through space at 30 miles an hour, and so I would like to discuss the portion of his grievance that dealt with air policy.

As I deciphered and distilled his remarks on air policy, and if we cut the verbiage down by about two thirds, his first point is lack of aviation policy and, second, a lack of aviation organization. Aviation really splits itself in this country into two fundamental parts. One is the scheduled air transport carrier. The second is general aviation, which I believe is the thing the hon. member is interested in; and certainly that part of it which I am interested in is general aviation.

In 1957 the government supported by the hon. member opposite came to power. At that time we had one national air line across Canada, and general aviation composed of a relatively small group of operators who had to prove need before they could get charters. Then, when the Tory party came to power, it established two air carriers across the country. I am not going to discuss the pros and cons of that, but they also changed the regulations so that anybody could get a charter to operate a public but non-scheduled air line business.

The result a vast increase in the number of non-schedule operators. The result of that is that most of those who were in the business were rapidly going broke, and the standards of maintenance that applied to this sort of service were forced to go by the board because these people could not afford to carry them out. There was too much competition. People jumped in without any need and without adequate equipment, and before the general election of last year, when the Conservative party was still in power, anybody who subscribed to the aviation press read in it, time and time again, a plea by the aviation industry that for heaven's sake let us—

Mr. Clancy: Mr. Speaker—

Mr. Deputy Speaker: Order. Is the hon. member rising on a question of privilege?

Mr. Clancy: That is right. I have not seen him in the house for two months.

Mr. Peters: Mr. Speaker, I feel it has been established by precedent over a long period that the hour for grievances is for that purpose, and not for a debate on the pros and cons of a particular subject.

These are grievances concerning the transportation problems of Canada. Surely any justification of what one government is now doing or discussion of what another government did previously should not be forthcoming from a private member, and I think we shall defeat the whole purpose of this grievance procedure if the government is allowed to have a member rise and protect its interest.

Mr. Pickersgill: I should like to say a word on the point of order raised by the hon. member for Timiskaming (Mr. Peters). I suggest that every member of this house is equal in any debate, and the idea that because certain hon. members on this side choose to exercise their God-given right in a free assembly and a free country to speak is no excuse for hon. members on the other side trying to throttle their freedom to take part in our discussions.

Mr. Clancy: The house leader was accusing me. I was just indicating the member, that is all.

Mr. Deputy Speaker: Is the hon. member for Timmins rising on a point of order?

Mr. Martin (Timmins): Yes, Mr. Speaker. It appears to me that the reason we have a grievance procedure is to enable members of the opposition to raise grievances. Surely, if a member on the government side has a grievance to raise, if it is against a previous government it is out of order and if it is against the present government he should raise it in caucus, not in this house. Otherwise this procedure means nothing at all.

Mr. Herridge: Is the speaker a member of the house? A number of us down here do not recognize him. He is a stranger to us.

[*Translation*]

Mr. Habel: On the point of order, Mr. Speaker, I find it strange that points of order should be raised as was done tonight, when one considers that during the last six years, on many occasions once the question was put, it was precisely government members who raised grievances. Therefore, I do not understand at all the attitude of the opposition tonight.

[*Text*]

Mr. Peters: Further to this point of order, I agree with the Minister of Transport that all members have an equal right to speak. My point of order is this: The hon. member should raise a grievance in the true sense,

not make comparisons between one government and another government and attempt to answer the grievance which has been raised. I do not say he has no right, as a supporter of the government, to speak.

Mr. Enns: I wish to raise a point of order, and it is this. Our procedure now seems to be moving toward a debate. If the hon. member wishes to enter the discussion let him state a grievance rather than defend the government against the charges made by my hon. friend from Yukon.

Mr. Olson: I agree almost completely with the Minister of Transport that every member of this house is equal and that, generally speaking, we all have an equal right to raise grievances during supply motions. But I have followed the remarks which the hon. member has made up to this point and it seems to me he has not raised any grievance. What he is attempting to do is substitute himself for someone on the treasury benches who has been told by the Speaker that he does not have the right to reply to these grievances. He is not, in fact, raising a grievance but he is trying to do, as it were, by the left hand what the right hand may not do in these circumstances.

Mr. Pickersgill: I should like to say a word about the serious point raised by the hon. member for Medicine Hat. I think it misconceives the whole idea of debate. Debate, if it means anything, means the presentation of both sides of a question and surely it is not being argued that the only person in the house who is allowed to present one particular side of a question is a minister of the crown and that every other person to speak during this period must speak against the government.

Surely, if an hon. member gets up and raises a grievance which any other member regards as being utterly phony it is perfectly competent for that other member to reply, and there is no reason why he should be denied the right to do so, any more than the hon. member who brought up the grievance should be denied his right to do that. If it were otherwise, the situation would be this: We would not have debate; we would have attack and no right of reply and it seems to me that to think along these lines is utterly to misconceive the purpose of our procedure. The period during which grievances may be raised is no different, in essence, from the period before the vote is taken. The hon. member for Winnipeg South Centre (Mr. Churchill) raised a grievance then, and I hope it is never argued in this house that once that grievance was made and a question of non-confidence had been raised nobody could defend the government except a member of the government. I have never heard that argument put forward before. It seems to me that the standing order and the citation from Beauchesne apply equally to the period before and after the vote is taken, and that there is no monopoly given to either side of the house in this matter; all hon. members have an equal right to deal with the subject which is brought up, provided of course that they do not introduce a new subject. As long as they do not introduce a new subject, they have a perfect right to differ from one another. I suggest this is the purpose of debate and that this doctrine that no one can deal with opposition attacks is a denial of free speech which cannot be tolerated in a free assembly.

Mr. Fleming (Okanagan-Revelstoke): On this point of order and the interesting intervention by the Minister of Transport (Mr. Pickersgill) may I say this: the grievances which are raised at this time are grievances against the actions, or lack of action, of the government. There is only one authority which can satisfy those who raise grievances, namely, a member of the government—a spokesman for the government, for those who create government policy and take responsibility for that policy. We do not wish to hear the government's apologists. We want to hear the government itself, through its official spokesmen, and those who raise matters of grievance on this side of the house are only interested, if they have legitimate grievances, as we believe in this case we have, in hearing the government's reply, not the reply of someone who has no responsibility.

Mr. Hahn: On a question of privilege—

Mr. Deputy Speaker: Order. The hon. member for Okanagan-Revelstoke (Mr. Fleming) has the floor on a point of order.

Mr. Fleming (Okanagan-Revelstoke): I do not suggest that the hon. member who has been giving the response on behalf of the government is not an expert on the subject, but he is not necessarily a person who has responsibility for the policy of the government. What we want to know when we raise grievances here is whether those who respond speak for the government or whether they only speak for the sake of speaking. We shall not be satisfied with apologists. We want to hear from those who make policy and accept responsibility for that policy. We want to hear from them and from no others.

Mr. Hahn: On a question of privilege. I believe that as a member of this house I have the same right to discuss a grievance as any other member.

An hon. Member: What is your grievance?

Mr. Hahn: As I understood it, the grievance fell into two parts. I was refuting one part so that I could deal with the second and I believe I have a right to get to the next point in my argument.

Mr. Pigeon: You have no power.

Mr. Deputy Speaker: Order. I wonder if the hon. member would kindly resume his seat. I have heard many interesting arguments, most of them against the position which I felt should be adopted by the Chair in this regard. I have already explained my view, when the point was raised originally by the hon. member for Lapointe (Mr. Gregoire). My reading of Beauchesne and standing orders since this discussion started has not altered my view in the slightest. There is nothing at all in the precedents of this house or in the practice of this house to prevent an hon. member on the government side giving his views on a grievance, even though he is not himself expressing a grievance.

I am advised that there is a clear decision following this line by Mr. Speaker Michener. Unfortunately I do not have it before me, but I am advised that there is such a decision, which supports my ruling. I feel that in the circumstances we should allow the hon. member for Broadview (Mr. Hahn) to reply to the specific grievance raised by the hon. member for Yukon (Mr. Nielsen).

Mr. Hahn: Mr. Speaker, before the points of order, and so on, were raised—and I hope that all these do not come out of my time, although I need very few seconds to complete my arguments—we were tied somewhere up on cloud nine discussing aviation policy. To wind that portion up, all I would like to say is that prior to the assuming of office by this government there was a great, crying need, as expressed by the operators in the industry, for a change in aviation policy. The policies that had been instituted by the previous government had not worked, had caused great economic hardship in the industry and were due for an overhaul. We are in the process now, as I understand it, of announcing new aviation policies. I recently noticed a statement by the minister indicating that class 7 were going to have to prove, temporarily, need before new charters would be issued. I think these are steps in the right direction and I think if we are patient we will see that a proper policy is brought forward.

The second point raised by the hon. member for Yukon dealt with the need or the desire to have an aviation organization. Private aviation in this country needs encouragement, and I agree with the hon. member opposite that this is a crying need. It is necessary that we have good navigational facilities across the country. We need facilities with which to land our aircraft. We need encouragement in terms of low cost operation and minimum cost facilities or private aviation cannot exist. I believe that the use of small and medium sized aircraft is a very efficient way in which to travel from one part of the country to another. It is a method of transportation that has a great economic business use as well as a private one, and I am anxious to see it encouraged. In the private segment there are private organizations. The hon. member opposite mentioned, I think, C.O.P.A., the Canadian owners and pilots association. This is largely a pressure group that collects the ideas of aviation and then tries to stop legislation that the government is bringing forward that might be detrimental. It tries to work with government. I would like to see a closer liaison here. I would like to see an organization set up and sponsored by government to which representatives of general aviation could come, so that we would have a real forum for the airing of the views of people who are interested in aviation. In this way we might create in this country a climate that is suitable for the development of this segment of aviation. So that in the sense that the hon. member opposite wished to see an organization created, that would serve as a proper forum for the development of aviation, I support that portion of his grievance. I refute the rest of the things that he said.

Mr. Rheaume: Mr. Speaker, would the hon. member permit a question?

Mr. Hahn: I will answer a brief question, but I think we should allow other hon. members to speak.

Mr. Rheaume: It is just a question on the statement made by the hon. member, who said that because of the former policy many operators were entering the business without adequate safeguards and were going broke, and so on. I wonder whether the hon. member for Broadview (Mr. Hahn) could give the house a few examples of these cases of which he is so sure.

Mr. Nielsen: Just one.

Mr. Rheaume: Yes, just one.

Mr. Hahn: I unfortunately do not have the figures here, because I did not know this debate was coming up; but if you look at the number of charters in existence in 1957, and the number of charters in existence in 1963 in the private segment, the answer is very obvious. If my memory serves me well, something like four or five times the number of

operators were in business after the change in government policy in 1957 or 1958.

Mr. Rheaume: Mr. Speaker, the hon. member perhaps did not understand my question. I am interested in whether he could give the house even a single example of an aircraft company which entered the business and did not maintain the safety rules, which is the charge he levelled, and went broke because of the policy. Can he name one single company?

Mr. Hahn: I can, Mr. Speaker, but I do not think the House of Commons is the place to mention or indicate the names of private, commercial operators who have had trouble in private business. I would be very glad to discuss this matter with the hon. member and give him the names of companies that I know.

Mr. M. W. Martin (Timmins): Mr. Speaker, I am very pleased to take this opportunity to deal briefly with certain aspects of the grievance raised by the hon. member for Yukon (Mr. Nielsen). I would like to deal a little more specifically with not only the lack of an over-all transportation policy but also with some of the factors of the present policy, or at least the present practice, that has neither common sense nor any fairness. I would hasten to say that this is not a brand new condition that has cropped up in the last year in the tenure of office of this particular government. I recall first bringing this condition to the attention of Hon. George Hees when he was minister of transport, and then to the attention of the hon. member for Three Rivers (Mr. Balcer) when he was minister of transport. I also brought it to the attention of the hon. member for Ottawa West (Mr. McIlraith) when he was minister of transport. We are now going through our fourth minister of transport. Apparently this is a very bad office for ministers, because we do not seem to get any that last too long in the job.

To give the house a proper picture of this situation I think I should give a little of the background. The constituency of Timmins consists of approximately 50 per cent French Canadian people and 50 per cent of all others put together. The area serviced by the Timmins airport also takes in part of the riding of Cochrane, which is about 70 per cent French Canadian, and parts of the ridings of Timiskaming and Nickel Belt, which are also quite heavily populated by French Canadians. It would seem that the natural link of these people would be with Montreal rather than Toronto. I would like to give the house the situation as it exists and as it has existed for some time. In fact, it has got worse instead of better. The distance by highway from Timmins to Toronto is only 12 miles different from the distance to Ottawa, but the cost of T.C.A. travel is almost double to Ottawa, and of course on to Montreal, as it is to Toronto. At the time this condition was arising we found there was a general deterioration in transportation facilities; that is, with regard to the rail service connecting this part of the country with the south and particularly the Ottawa and Montreal regions. These services have deteriorated at a very rapid rate. I recall that when I first came down here in 1957, if you were travelling to Ottawa you could get your berth in Timmins. About a year later you had to go down to Porquis Junction, and the next year you had to travel down to Englehart. Then the following year it was North Bay—and finally they took the sleepers off that train altogether. My point is that while the service on the railroad was deteriorating year after year, the cost by air was increasing rather than being reduced to compensate for the deterioration in this other form of transportation.

This situation has been greatly aggravated owing to the recent tremendous strike in the Timmins area. Last week end when I was home in my constituency I found the airport completely ringed with private planes and helicopters. Prospectors, geologists, international finance people and heaven knows who else are making use of the Timmins airport at the present time and are certainly putting great stress and strain on its facilities, even to the extent that I would say that there could quite possibly be some danger with all these planes flying around and with the limited facilities presently at the airport. In fact, if one can believe all of the stories which fly around at an excitable time like this I am given to understand that someone has staked the airport at Timmins, so that the minister had better be careful to check into this or he might find a shafthouse in the middle of the runway one of these days which I am sure would further interfere with the air traffic.

However, I do wish to stress that the present situation is completely inadequate to cope not only with the traffic using the airport but with what appears will be the traffic over the next few months and years. This is one particular aspect which should receive immediate attention.

There is another point with regard to rail transportation which again makes no sense whatsoever. I refer to the apparent agreement which has been worked out between the C.N.R. and the O.N.R. to discontinue one of the daily trains which run into Timmins. It

was bad enough prior to these new developments in the Porcupine camp, but about six months ago it seemed that for the first time in possibly 20 years the C.N.R. had realized that if they want to get passengers they should do something to attract passengers. Therefore they adopted a new policy with regard to passengers on the railways.

Mr. Deputy Speaker: I hesitate to interrupt the hon. member after the difficulties we have had in connection with the application of the rules at this particular time. I may not have understood correctly the grievance which was raised originally by the hon. member for Yukon (Mr. Nielsen), but I did say earlier it was my understanding of his grievance that it related to air transportation. If it does, and that is my understanding, the hon. member would be out of order. If his grievance has a broader application and includes transportation in general I would then assume that the hon. member for Timmins (Mr. Martin) is in order.

Mr. Nielsen: Mr. Speaker, on the point of order which Your Honour has raised, with regard to railroad transport policy in the country my specific grievance was rail line abondonment. So far as marine policy was concerned it was ferry services, merchant marine and general marine policy.

Mr. Pickersgill: If I might just say a word, I think the hon. gentleman on the one occasion when he really defined his grievance said that it was against the lack of any national transportation policies, so I would think the hon. member for Timmins (Mr. Martin) is completely in order in what he is saying.

Mr. Deputy Speaker: Yes, that would be my opinion too, but I wanted to have the matter cleared up right at this point. I recognize, therefore, that the hon. member for Timmins is in order at this time.

Mr. Martin (Timmins): I thank the house for this opportunity. The grievance was a little fuzzy at first but I thought this matter would come within its ambit. However, I will only take a few minutes to complete the grievance I am raising.

As I was saying, some six months ago a very real effort was made on the part of the C.N.R. to attract passengers. This effort had astonishing effects, and I am sure that anyone who has ridden on a train in the last few months has realized these effects, because all of a sudden rail travel has become very popular again, and to ride on a train nowadays almost takes one back to the war years when it was very difficult to find a seat aboard a train. However in spite of this tremendous increase in traffic we find that an agreement has been worked out between the C.N.R. and the O.N.R. to discontinue one of the two daily trains which are going into the Porcupine camp.

I fail to understand how there can be any common sense in this move. After years of a slowly deteriorating volume of passenger traffic all of a sudden one train is going to be discontinued at a time when traffic has increased at a tremendous rate over the last few months. Particularly in view of the recent developments in the Porcupine area I am sure that the minister will use his influence, in conjunction with the Ontario Northland Railway, or the provincial government who are in charge of that particular section of the railway at least to postpone the plans which have been made to cut off one train into the Timmins area at the end of this month. This is a problem which is very real and which has been building up over the years. It has now reached a climax with these new developments in the area. I am sure the minister will give it his closest attention and will correct the situation before it causes any more difficulty.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to speak on this grievance for only a very few minutes. The reasons I do so is because a few days ago I related some of the background respecting the southern prairie air service. The reason I now avail myself of this opportunity is because there have been some changes during the last few days, which have not been good changes, with respect to what has happened to the deal made between TransAir and Trans-Canada Air Lines.

As I pointed out a few days ago, an application was made by Trans-Canada Air Lines in November 1962 to be relieved of the obligation to provide an air service on the southern prairie air run. They were granted the right to withdraw from this service and a number of air lines from western Canada applied to the air transport board for the franchise. However, at that time the Department of Transport did not indicate that any subsidies would be available to any of the applicants in providing this service on the southern prairie air run. TransAir was granted the franchise to provide a service from Winnipeg to Brandon to Dauphin to Yorkton and into Regina, and also from Regina to Swift Current to Medicine Hat and into Calgary.

Several months after the franchise was granted to TransAir, on the basis of a submission which they made at the air transport board hearings in Regina, Trans-Canada Air

Lines gave TransAir $500,000 worth of aircraft and airline equipment, such as communication facilities, etc., provided that they would maintain a reasonably good service, or the service they were required to set up, for a period of three years.

My grievance this evening is that TransAir in fact discontinued the service on a large part of the southern prairie air run before one full year of operation, and as far as I know they are retaining this $500,000 of equipment, which includes one Viscount aircraft, two DC-3 aircraft and a multitude of other pieces of airport and communications equipment. According to a Canadian Press report dated Winnipeg, April 10, this appears:

> TransAir Limited said today a United States group has bought into the Winnipeg-based air line. A spokesman said two Minneapolis businessmen have been added to the board of directors to represent the American group.

It seems to me that we have to ask the Minister of Transport to look very deeply into this matter. Apparently the balance sheet of TransAir for the past year has been attractive enough to induce certain United States interests to buy into that company. This has happened in spite of the fact they claimed they lost so much money they were justified in withdrawing from the service they undertook to provide in the southern prairies. In fact, according to information that was provided at the hearings, TransAir lost $114,000 during the period from April 1963 to January 11, 1964 when they suspended the service they had undertaken to provide. I am not sure of the exact starting date, but it was April, 1963 and the final date was January 11, 1964. The company claimed it lost $114,000 during that period. If that is so, then they have profited from this deal with Trans-Canada Air Lines to the tune of something like $386,000 in ten months.

We have an obligation to see that TransAir does not get away with this amount of public property. I will not accept the contention that has been put forward by more than one minister of transport that the dealings of Trans-Canada Air Lines with other corporations are really beyond the sphere of the minister's activities. This is public property. The people of Canada, through the federal government, own all the shares in Trans-Canada Air Lines. Mr. McGregor, the president of Trans-Canada Air Lines, has absolutely no right to give away half a million dollars worth of the assets of this country.

I do not want to take any more time because one or two other members may wish to speak on this subject. In closing, I want to say to the Minister of Transport that we have no intention of allowing TransAir to get away with this. We find ourselves in a position where there is now no air line service at all for the southern part of the prairies. While we accept the minister's statement that his department is studying the matter of feeder lines, and perhaps this is something to which he cannot find an answer quickly, we still believe there is some kind of policy that should be enunciated very quickly, because there are airports in this part of the country and there is a need for freight service to transport greenhouse products and other things that require fast transport. I believe it should be part of the government's general transportation policy to have Trans-Canada provide these regional and feeder services in all parts of Canada, including the southern prairies.

Mr. Deputy Speaker: I wonder if I might have the indulgence of the house for a moment to put on the record a statement by Mr. Speaker Michener to which I referred a moment ago when rendering judgment in connection with a point of order discussed by a number of hon. members. I am quoting from *Hansard* for May 3, 1960, page 3528:

> The practice in dealing with grievances after the amendments have been disposed of has been to speak to one grievance at a time, and I would not deny any member in the house the right to speak to the matter before the house. In recognizing an hon. member I do not know whether he is going to speak for or against the proposition. However, if he keeps on the same subject it seems to me he is within the rules and that a member who disagrees with the point of view raised by a member speaking to a grievance is just as much entitled to speak as any member who wants to support a grievance.

This was the point of view which I expressed a moment ago and this is the quotation to which I had reference.

Mr. Lloyd R. Crouse (Queens-Lunenburg): I am pleased, Mr. Speaker, to participate in this debate briefly this evening since the problems created by a lack of transportation facilities have been of major concern to Nova Scotia for many years. Due to Nova Scotia's slow but certain economic growth, these problems have been further aggravated in recent years and it is now evident that further steps must be taken to provide additional transportation links for our expanding fishing industry, secondary manufacturing industry and our tourist industry.

My grievance tonight, therefore, deals with marine transportation problems which face our genial minister who represents one of the maritime constituencies. As many of you are aware, Nova Scotia is almost an island. When the Chignecto canal and power complex is built, we will be actually surrounded by water. However, despite our geographical handicaps, Nova Scotia is going forward.

In 1963 the province's crown corporation negotiated the establishment of 11 new industries, three of which were from outside Canada. Our province became the first one on the continent to produce European motor vehicles when Volvo of Sweden announced its decision to locate an assembly plant at Dartmouth; a British company chose Truro as its home for a new carpet manufacturing plant and the Canada Cement Company began construction of a new plant at Brookfield near Truro. We have a heavy water plant to be built near Glace Bay and new fish processing plants are under way at Lunenburg and Canso. Mineral explorations have been intensified and there has been an increasing awareness of the annual value of between $75 million and $100 million of the province's forest resources. All these projects represent additions to our regional capacity in the primary and secondary industries, but despite this progress we still have a high unemployment rate in the Atlantic provinces which indicate we cannot rest on our oars, and still more must be done if we are to reach the level of prosperity enjoyed by other parts of Canada.

Two things in my opinion must be done to bring this about. First, an immense effort is necessary on the part of industry in cooperation with our provincial and federal governments if our economic lag is to be overcome. Only money, huge amounts of investment capital, can do this. Massive investments over the next decade is the prime requirement. Of course, money alone is not enough. Many human qualities must be added, qualities of judgment, industry, ambition and enterprise. We have these qualities to a great degree in our people but they cannot succeed without investment capital. Here is where the federal government can enter the picture, by improving the transportation needs of our provinces.

We need a second ferry between Nova Scotia and New England to bring us closer to the vast market to the south of us. There is every economic justification for this second ferry at the present time. Here we are in Nova Scotia with average incomes lower by one third than those of the rest of Canada, with double the unemployment and half the capital investment per capita for the remainder of Canada. We have a growing labour force and everywhere mechanization tends to reduce the number of jobs available. In order to substantiate my remarks I need only quote from a recent editorial under date of April 20 in the Halifax *Chronicle-Herald*:

Figures released last week by the department of labour and the dominion bureau of statistics show that unemployment during March represented 6.8 per cent of the labour force, compared with 8.4 per cent a year earlier and 8.7 per cent in March of 1962—

This is the national picture. What of the regional story? When the over-all statistics are broken down, a different tale is told—

But on the negative side, Quebec had unemployment of 8.9 per cent during March while a full 13 per cent of the labour force in the Atlantic provinces was jobless. And while these figures represent a considerable improvement over March, 1963, when the unemployment rates were 11 per cent in Quebec and 15.3 per cent in this region, they are still too high to be tolerated.

It is perhaps significant that the rate of 13 per cent in the Atlantic provinces is almost the same as that prevailing in that area of the United States which has come to be known as Appalachia, and which is a focal point of President Johnson's "war on poverty".

The despondency which has infected the Appalachian mountain region is not present here; quite the opposite. A new air of optimism permeates Atlantic Canada. Where once we looked ahead with unrelieved despair, there is now a faith in the future.

But the fact that things are getting better, and will continue to do so, must not blind us to the realization that we still have a long way to go to reach the level of prosperity of the rest of the country.

This then, Mr. Speaker, is the challenge. The next question is—

Mr. Pickersgill: I should like to ask the hon. gentleman a question. Did the hon. gentleman understand that we were discussing the lack of a transportation policy or did he think the grievance had to do with employment?

Mr. Crouse: I was laying the groundwork. I should possibly explain, Mr. Speaker, that for 22 years we in Nova Scotia lived under a Liberal government and our economic growth during that period was very slow. Our biggest export was brains. We sent them to Upper Canada and to the United States.

Mr. Pickersgill: That was a form of transport.

Mr. Crouse: That was a form of transport. But since 1956 the province made progress under a Conservative government, and I wanted to lay the groundwork to show the minister the progress being made in Nova Scotia and the need to have further transportation links between our province and the United States.

Mr. Pickersgill: Not for the kind of transportation the hon. gentleman is suggesting though.

Mr. Crouse: To substantiate my remarks further I should like to quote from the Halifax *Chronicle-Herald* of April 20. The article is headed, "Extra Trip For M.V. *Bluenose*", and reads as follows:

In order to accommodate the many truck transports bound for the U.S. the M.V. *Bluenose* made an extra trip to Bar Harbor Sunday. The ferry's

truck deck will take 17 large vehicles and port agent K. M. Beazley said besides the load taken over Sunday there were already 14 on the list for Monday when the ship resumes its normal run. Lobster and fresh fish was the main cargo.

So, Mr. Speaker, there is a definite need for a second ferry. This article will give the house some idea of the value of the present ferry, *Bluenose*, to our secondary industries, especially our expanding fishing industry. While it is true that the ferry now in existence operates at a small deficit yearly, I believe the expanding fishing industry will eventually take care of the deficit by reason of the increased amount of freight shipped to the United States.

I know the government is interested in assisting the Atlantic provinces and, having pointed out the value of the existing service, I cannot help but wonder what would happen to our fresh fish industry if the present ferry broke down and became inoperative over an extended period. If this happened during July and August it would spell disaster for literally hundreds of Nova Scotians who are dependant upon the tourist industry for a livelihood. Ten years ago the tourist industry was not considered a vital economic factor in Nova Scotia but today it is big business, with the number of persons visiting our province almost double the figure of 1953. Last year over 700,000 tourists visited the province leaving revenue there of some $55 million.

We are not the only ones interested in the provision of a second ferry. The city fathers of Gloucester, Massachusetts, have been eagerly campaigning for a number of years for a second ferry. They have prepared a brief. I will not read it into the record because of the late hour but among other things it indicates that the area surrounding Gloucester, that is, Boston and New York, has a population of approximately 30 million to 35 million people and this vast area could be tapped if a second ferry was in service between the province of Nova Scotia and the New England states.

The Nova Scotia government is vitally interested in this matter. The provincial department of trade and industry in June of 1963 made a formal submission to the federal government for additional ferry service between western Nova Scotia and New England. Specifically, the proposal advanced was for a second vessel to supplement the service now being provided. In support of this proposal a traffic study was presented to the minister. I cannot help but wonder what happened to this proposal. We have heard nothing from the minister and nothing from the government regarding the action they propose taking.

[Mr. Crouse.]

In view of the interest in this matter and the benefits that would accrue to Nova Scotia I sincerely hope that the government will take steps in the near future to strengthen the transportation link between our province and New England through the provision of a second ferry.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, in three minutes, which seems to be the new magic time given to ministers to reply, it will be very difficult for me to reply to the many and detailed specific grievances set out by the hon. member for Yukon (Mr. Nielsen), most of whose speech, I thought, was in the air. But there have been one or two serious points raised by some other hon. members about which I will attempt to say a word or two.

I am a little surprised that the hon. member for Queens-Lunenburg (Mr. Crouse) did not mention the fact that his distinguished predecessor was largely responsible for the *Bluenose* which he praised so highly. We are very proud of that and we only wish that the hon. member was able to be proud of a second ferry that he had been able to get in the six years when he supported a government that did nothing about the problem. It is a problem and it is getting a lot more attention than it got under the previous government. As soon as a conclusion is reached as a result of the studies that are being carried on at the present time it will be announced to the house.

With respect to the problem at Timmins there is no doubt that if things develop in Timmins in the way that seems likely to happen now the hon. member for Timmins (Mr. Martin) was not exaggerating in any way in what he said, and I intend to see that everything that can be done is done as quickly as possible to meet this problem which has suddenly come upon us.

The hon. member for Yukon talked about the haphazard policy of rail abandonment. There have been no railway lines abandoned in western Canada, of course, because there is a moratorium on the abandonment of railway lines which was established by the previous government, and although the hon. gentleman did not seem to be aware of what was going on it is still in effect.

Mr. Fleming (Okanagan-Revelstoke): Will the minister permit a question?

Mr. Pickersgill: It will continue in effect until new legislation is adopted and until an orderly method of dealing with these problems is set up under an authority which I hope parliament will authorize which will be under my colleague, the Minister of Agriculture (Mr. Hays), and which will ensure that no lines are

abandoned that are essential either on economic or social grounds. That is the position.

Some hon. Members: Order.

Mr. Pickersgill: Despite the demands that I speak of, hon. gentlemen do not seem to want my answers.

Mr. Deputy Speaker: Order. It being ten o'clock it is my duty, pursuant to section 4 (f) of standing order 56, to interrupt the proceedings and to put forthwith the question on the motion now before the house.

Motion agreed to and the house went into committee, Mr. Lamoureux in the chair.

The estimates of the following departments were first taken up and entered for consideration.

DEPARTMENT OF AGRICULTURE

1. Departmental administration including the national co-ordinating committee on agricultural services, contributions to commonwealth agricultural bureaux and a contribution to the agricultural economics research council in an amount equal to the contributions of the provinces but not exceeding $50,000, $3,368,900.

DEPARTMENT OF EXTERNAL AFFAIRS

1. Administration, operation and maintenance including payment of remuneration, subject to the approval of the governor in council and notwithstanding the Civil Service Act, in connection with the assignment by the Canadian government of Canadians to the staffs of the international organizations detailed in the estimates (part recoverable from those organizations) and authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the shares of those organizations of such expenses, and authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of commissioners (international commissions for supervision and control in Indo-China), secretaries and staff by the governor in council; official hospitality; relief and repatriation of distressed Canadian citizens abroad and their dependents and reimbursement of the United Kingdom for relief expenditures incurred by its diplomatic and consular posts on Canadian account (part recoverable); Canadian representation at international conferences; expenses of the third commonwealth education conference; a cultural relations and academic exchange program with the French community, and grants as detailed in the estimates, $10,826,300.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

1. Departmental administration including federal share of the expenses of the secretariat for the Canadian council of resource ministers and $120,000 for grants for northern research and for northern scientific research expeditions, $1,591,500.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

1. Departmental administration, $1,130,500.

DEPARTMENT OF LABOUR

1. General administration, including grants as detailed in the estimates; the expenses of the international labour conferences; the promotion of labour-management co-operation; the promotion of a program for the employment of the older worker; the promotion of a program for combating seasonal unemployment; the organization and use of workers for farming and related industries; and the manpower consultative service, $4,243,100.

DEPARTMENT OF PUBLIC WORKS

1. General administration, including grants as detailed in the estimates, $12,114,500.

Proceedings reported.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion.)

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

Mr. Churchill: Mr. Speaker, on a point of order, do the new rules permit a question with regard to the business of the house? Although I might be very much interested in the half hour debate, on the other hand I might wish to leave when the ministers get up to speak.

Mr. Speaker: The broadest interpretation of the answer to that question is yes, either now or at the end of the half hour.

Mr. Churchill: Then may I ask the house leader what is the business for tomorrow?

Mr. Favreau: Mr. Speaker, I understand any time I may take will not be taken off the adjournment debate period, but I will be very brief. Tomorrow we hope to be able to finish the debate in committee on the electoral boundaries bill, and tomorrow evening I hope to be able to announce the business of the house for quite a few days ahead.

EXTERNAL AFFAIRS—CYPRUS—INQUIRIES RESPECTING PEACE KEEPING FORCE

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, first I wish to thank the Secretary of State for External Affairs for being present in the house to answer the important question I put to him on the orders of the day and which Your Honour did not accept on the grounds that it was not urgent.

Mr. Speaker, Canada has sent 1,150 men to Cyprus for a three month period on a peace keeping mission. That period will expire on June 27. I should like the minister to tell me if the government intends to ask the house to extend the term of the Canadian forces in Cyprus, should circumstances warrant it.

What astonishes me, Mr. Speaker, is that when the Secretary of State for External

Affairs agreed to send a Canadian peacekeeping force in Cyprus, under the control of the United Nations, he did not insist that the expenses of the Canadian force in Cyprus be borne by the United Nations, that is by all member countries of the United Nations.

In my opinion, Mr. Speaker, the authority of the United Nations has been destroyed when Canada was allowed to support alone the costs resulting from the posting of a Canadian peace keeping force. The United Nations must exercise a joint action and not a unilateral one. It seems to me that such a situation jeopardizes the future of the United Nations, because it creates a precedent which compels a country to spend large sums of money to restore peace in that part of the world while member countries of that international organization refuse to accept their responsibilities by sharing those expenses.

[*Text*]

Mr. Moreau: Yould the hon. member permit a question?

[*Translation*]

Mr. Pigeon: Mr. Speaker, if the hon. member wants to make a speech, he will have the opportunity to do so when we discuss the external affairs estimates—

Mr. Moreau: Will the hon. member allow a question?

Mr. Pigeon: If it is refused, he will have the opportunity to discuss it after ten o'clock.

Mr. Speaker, I shall ask the Secretary of State for External Affairs why the Canadian government, or the United Nations, did not demand from Archbishop Makarios, before sending Canadian forces, or others, to Cyprus, that Turkish or Greek Cypriots be disarmed.

At this time, the Cypriots, whether Turkish or Greek, are armed and killing each other; every day we read in the papers that some accidents have happened.

I wonder why the Canadian government has not, through the Secretary of State for External Affairs, asked the secretary general of the United Nations to demand from Archbishop Makarios, that the United Nations forces have the privilege and the responsibility to disarm Cypriots, whether Turkish or Greek.

Mr. Speaker, the Canadian government has done more than its share to help the United Nations. Not only do we pay our share as a member country, but we also have to pay considerable amounts for those countries, which refuse to meet their obligations. Those countries, Mr. Speaker, have the same voting right as those who honour their responsibilities. To my mind, such a situation is abnormal and the existence of the United Nations is endangered if its member countries refuse to do their duty from a financial point of view.

At the next general assembly of the United Nations, the Secretary of State for External Affairs should be firm and even make a speech to the effect that, if necessary, Canada would withdraw from the United Nations, if the member countries refused to honour their financial obligations.

The Canadian government authorized the Canadian force to stay in Cyprus until June 27, but some people suggest that it will have to stay there for three years because the conflict will not be settled.

Furthermore, until the next sitting of the United Nations, when the Secretary of State for External Affairs (Mr. Martin) will be able to ask the member countries of that organization to share the expenses of the Canadian force in Cyprus, the Canadian government will spend over $8 million, because the next UN sitting scheduled for September, will be postponed until the American election, that is in November.

Therefore, Mr. Speaker, Canada—

Mr. Speaker: I regret to interrupt the hon. member, but his time is up.

[*Text*]

The hon. Secretary of State for External Affairs.

[*Translation*]

Mr. Pigeon: May I continue, Mr. Speaker?

[*Text*]

Mr. Speaker: I give the floor to the hon. member for Cumberland.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege—

Mr. Speaker: No question of privilege can be allowed at this time.

[*Text*]

Mr. Pigeon: You do not know my question, Mr. Speaker.

Mr. Pickersgill: There can be no question of privilege.

Mr. Pigeon: If the hon. gentleman has anything to say, let him stand up.

[*Translation*]

I rise on a question of privilege, Mr. Speaker.

[*Text*]

Mr. Speaker: I must ask the hon. member for Joliette-L'Assomption-Montcalm to resume his seat. We are limited as to time.

CANADIAN FLAG—PARLIAMENTARY CONSIDERATION BEFORE ADOPTION OF NEW DESIGN

Mr. Robert C. Coates (Cumberland): This afternoon I directed a question to the Prime Minister. In effect I asked him to assure this

house that before a new flag design was adopted by the government it would be submitted to parliament for consideration and approval, should parliament desire to give such approval. I regret very much that the Prime Minister has not found it possible to be in his seat tonight to listen to my explanation of why I feel such an assurance is necessary.

The reason for my question is that I know of no explanation given to date in which the Prime Minister or the government has given an unequivocal assurance that the new flag design which they propose to provide to the Canadian people, which is to be representative of our history and traditions, will be submitted to parliament for its approval. I should like to quote from page 2279 of *Hansard* of April 17, where the Prime Minister is reported as having said:

> As to what is going on in connection with this matter—

He was referring to the flag:

> —that will be announced to the house when a decision has been taken and the house will be asked to take its responsibility in this matter as the government must take its responsibility.

Mr. Speaker, I ask you, what could that mean? It could mean almost anything to anyone who might read it, but in effect it means nothing to everyone. I would like an assurance from the Prime Minister in this regard. It only takes a yes or no; it is very simple.

Mr. Nesbitt: You will never get it out of him.

Mr. Coates: I agree with you. We want to know what is this new flag design which they hope will appease certain groups in this country who apparently do not appreciate all the things that the red ensign represents in this great Canadian nation of ours. They want to force upon the Canadian public a flag which represents nothing to everyone. All I have asked the Prime Minister to do is provide us with the assurance that we will have something to say about this flag and its design whenever it is produced. That is a very simple statement for the Prime Minister to give to the people he is supposed to represent about a question as important as this.

There are Canadians writing me from all across this country who are terribly concerned about what this government intends to do with our flag. I am most anxious that they should have the assurance that this new design which is proposed will be placed before this house, so that their representatives can say how they feel about the flag we now fly, the flag that flies from our peace tower. I would like to know which representatives of the Canadian people sitting in this House of Commons are prepared to stand on their feet and vote the red ensign out of existence. I am as interested in that as anything going on and being proposed by this government at the present time.

To date we are without this assurance. We need, and must demand, this assurance. I ask the Secretary of State for External Affairs (Mr. Martin), who is the senior government official sitting in the front benches this evening, to stand in his place when I resume my seat and inform this house that we have no need to be concerned about this, and that the flag design which they propose will be brought before the house and we will be given an opportunity to speak on it and to vote on it. This assurance should be given to the 100,000 people who have already indicated that they wish to have the red ensign continue as our national flag. A million people or more will indicate that to this government before two years in office are up. They will have the assurance that their representatives in Ottawa will be able to say what they wish about our flag, about our heritage, about our tradition and about the fact that the red ensign will continue to fly from the peace tower of the parliament of Canada.

Mr. Clancy: Mr. Speaker, on a question of privilege—

Mr. Deputy Speaker: Order, please. Will the hon. member kindly resume his seat.

Mr. Clancy: O.K., you decide it.

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, as most hon. members know, the Prime Minister (Mr. Pearson) is unavoidably absent from the house tonight. He is acting as host at a state dinner for the prime minister of Trinidad and Tobago, and therefore he has asked me to reply to this question from the hon. member for Cumberland (Mr. Coates).

This question, or questions similar to it, has been asked on many occasions and I think the answer has been very clear and quite categorical. It has been to this effect, that within two years of the government taking office it will submit to parliament a design for a flag which cannot be mistaken for the flag of any other country. This should not come as any surprise because, for example, in the campaign literature of 1962, referring to a document headed "The Liberal program, general election, 1962", the following statement appears at page 21:

> Within two years of taking office a new Liberal government will submit to parliament a design for a flag which cannot be mistaken for the emblem of any other country. When adopted this will be the flag of Canada. "O Canada" will be proclaimed as our official anthem.

Mr. Pigeon: We want action.

Mr. Dupuis: What did you do for six years?

Mr. Davis: The position of the government on the procedure for the adoption of a flag so far as this concerns parliament is also perfectly straightforward. The government makes a recommendation to parliament in an appropriate form and parliament, representing all the people of Canada, accepts or rejects that recommendation. The Prime Minister has said this more than once. On February 24 of this year, for example, in answer to a question in this house he said that parliament should certainly be put in a position to decide for or against a particular flag. I believe that that specifically answers the question put by the member for Cumberland.

Mr. Deputy Speaker: No further questions are allowed at this time under the provisional standing order 39-A. I now give the floor to the hon. member for Winnipeg North Centre (Mr. Knowles), who will discuss the question of raising the pensions of superannuated civil servants in accordance with the increase in the cost of living index.

PUBLIC SERVICE—SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when I asked my question on the orders of the day this afternoon on behalf of superannuated civil servants I did so on the basis of one sentence which appears at page 2389 of yesterday's *Hansard*. At that point there is recorded in *Hansard* the Prime Minister's telegram of April 16 to the premiers of the provinces concerning the revised Canada pension plan. One of the additions to the Canada pension plan in its new form, and a welcome addition, is spelled out in this sentence:

> Benefits in payment would be adjusted to changes in the cost of living, subject to a maximum increase of 2 per cent in any year.

My question therefore this afternoon, and my question tonight is quite straightforward. In view of the fact that the government has now accepted the principle that pensions that have been put in payment should subsequently be increased if the cost of living goes up, will the government apply this principle to its own superannuated civil servants? As the government knows, this is a question I have raised in this house a good many times during the past two decades. The answers have a certain monotony about them. The answer generally is that the matter is under consideration. On March 6 of this year the Minister of Finance put it this way:

> As I have said on other occasions, the matter is under consideration all the time.

A few days ago I asked the Prime Minister if he had received a letter from the federal superannuates national association asking for legislation in this session to amend the Public Service Pension Adjustment Act. The Prime Minister replied that he thought he had received this letter, and he said that the matter would be given consideration and that a report would be made to the house as soon as possible. The fact is, Mr. Speaker, that this kind of answer has been made month in and month out for a great many years.

The only time there has ever been any increase in the pensions of civil servants already retired was during the regime of the last Conservative government which put on the statute books the Public Service Pension Adjustment Act. The Liberals in their previous incarnation, and the Liberals in this incarnation, have never done anything to improve the pensions of civil servants already retired. They have improved the civil service pension legislation for persons still employed, and they have made other pension improvements. However, so far as civil servants already retired are concerned, there has been nothing done for them.

We have been told to wait for the Canada pension plan. We are glad to see it being improved. We know, however, that the Canada pension plan, even in its best form, will not provide any increase in the pensions of persons already retired. This goes for superannuated civil servants, because no provision has yet been made for these people.

Will the government, having now accepted the principle that pensions that have been started should subsequently be increased if the cost of living goes up, be consistent? When is the government going to play fair with these retired civil servants? When is it going to quit asking these people to wait and wait? When is it going to apply this principle and increase the pensions of retired civil servants, which it can do by amending the Public Service Pension Adjustment Act or in any other way it deems fit?

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): First of all, I should like to apologize to the hon. member for Winnipeg North Centre on behalf of the Minister of Finance, who is at a dinner in honour of the prime minister of Trinidad and Tobago.

The government reviews from time to time the question of whether any special action needs to be taken to revise the pensions being paid to superannuated civil servants. It

will be recalled that some increases were authorized under an appropriation act in 1958 and under the Public Service Pension Adjustment Act of 1959. These were not an integral part of the superannuation plan and were not a contractual obligation of the government to its employees or former employees as are benefits payable under the Superannuation Act.

The hon. member for Winnipeg North Centre is to be congratulated for raising this question so quickly after the Prime Minister's announcement concerning the Canada pension plan.

It will be realized that retired civil servants, as others, have benefited from the several increases in the old age security pension that have been made in recent years. This has to be taken into account in considering the effect on their pension position of the increases in the cost of living in the past decade. In the short space of time available tonight I cannot give a full analysis of the situation. I can say, however, that the government has had no opportunity to consider the situation with respect to retired civil servants in view of the proposed Canada pension plan legislation.

I should add that the acceptance of the principle of adjustment for the pensions to be payable under a general pension plan for all Canadians does not necessarily imply that the same principle will be applied in respect of other benefits paid by the government of Canada.

Mr. Knowles: It ought to.

Mr. Benson: In particular, it cannot be held as necessarily implying that the benefits paid under the superannuation act, which are broadly speaking much more generous than the pensions received by most retired employees in Canada, will be adjusted in this way when those retired under other pension plans cannot anticipate any such comparable adjustment. When the Canada pension plan is passed by this parliament and one can appraise the situation of those who will come under it, the situation of retired civil servants will be reviewed again and we will see whether a legitimate case can be made on the grounds I have mentioned.

Some hon. Members: Order.

Mr. Deputy Speaker: Under the provisions of standing order 39A this house stands adjourned until 2.30 o'clock tomorrow afternoon.

Mr. Pigeon: Can we have extended time to permit the Secretary of State for External Affairs to reply to my question?

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, April 22, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. HERRIDGE—CRITICISM OF PUBLIC SERVANTS BY MEMBERS OF PARLIAMENT

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on a question of privilege. My point of privilege is based on the fact that in my opinion certain statements made by one H. L. Keenleyside in the press are a challenge to the ancient rights and privileges of members of parliament. When Mr. Keenleyside was giving evidence before the external affairs committee on the Columbia river treaty, he stated in his closing remarks as follows:

> I believe I am justified in objecting most strongly to the sneering attacks that have been made on these senior officials and highly competent technical advisers, attacks which are, in my opinion, as unjust in substance and as deplorable in taste as they are constitutionally improper.

My question of privilege is based on a letter appearing in the Ottawa *Citizen* on Tuesday, April 21, 1964, written by one H. L. Keenleyside and entitled "Attacks on public servants in the house are deplored", in which he restated at much greater length the substance of the statement made before the external affairs committee.

It is obvious that H. L. Keenleyside's remarks are directed at me. That is of little consequence to me, as I am quite capable of defending myself against such a charge. However, in my opinion, Mr. Speaker, and in the opinion of a good number of other members, this is a challenge to the rights of all members of this house, and I feel duty bound to bring it to the attention of the house.

Now, I understand that in rising on a question of privilege it is proper for a member to state his point of privilege. I have done that. Then the member must produce prima facie evidence to support his point of privilege, and I shall do that. Then it is customary for the member to move a motion. Therefore I now proceed to produce my evidence in support of my point of privilege, which is based on Dr. H. L. Keenleyside's letter in the Ottawa *Citizen* of April 21, 1964.

The questions at issue, Mr. Speaker, are first, whether a member of the Commons may freely and constitutionally comment, in the house or in a committee thereof, on the conduct of any person in the public service in so far as that conduct relates to such person's official duties. Second, whether any person may criticize a member for so commenting and not be in contempt of the house. The answers to these questions are fully contained in certain resolutions unanimously confirmed by the United Kingdom House of Commons on February 26, 1701. The relevant extract from the orders of the House of Commons, second edition, 1756, is as follows:

> Colonel Granvil reported from the committee of the whole house, to consider further of the rights, liberties, and privileges of the House of Commons, that they had come to several resolutions, which they had directed him to report, when the house will please to receive the same.
>
> The report ordered to be read immediately, and he reported, viz.
>
> First, resolved, that it is the opinion of this committee, that to assert that the House of Commons is not the only representative of the Commons of England, tends to the subversion of the rights and privileges of the House of Commons, and the fundamental constitution of the government of this kingdom.
>
> Second, resolved, that it is the opinion of this committee, that to assert, that the House of Commons have no power of commitment, but of their own members, tends to the subversion of the constitution of the House of Commons.
>
> Third, resolved, that it is the opinion of this committee, that to print or publish any books or libels reflecting on the proceedings of the House of Commons, or any member thereof, for, or relating to, his service therein, is a high violation of the rights and privileges of the House of Commons.
>
> Fourth, resolved, that it is, and ever hath been the undoubted right of the subjects of England, to petition the King for the calling and sitting of parliaments, and redressing of grievances. That to traduce such petitioning, as a violation of duty, and to represent it to his Majesty, as seditious and tumultuous, is to betray the liberty of the subject, and contributes to the designs of subverting the ancient legal constitution of this kingdom, and introducing arbitrary power.
>
> Fifth, resolved, that it is the opinion of this committee, that it is the undoubted right of every subject of England, under any accusation, either by impeachment or otherwise, to be brought to a speedy trial, in order to be acquitted or condemned.
>
> The said resolutions being severally read a second time, were, upon the question severally put thereupon, agreed to by the house.

Under the protection of the privileges, Mr. Speaker, a member can properly criticize a member of the public service in the performance of his public duties and is protected when he does so. Further, upon a criticism made, the House of Commons had jurisdiction to adjudicate upon the charge so made and to administer punishment upon conviction.

A complaint is made under the fourth resolution as a grievance. This right is that of every subject. The grievance can originate

with the member himself in his capacity as a subject or, under the first resolution, as a representative of the commoners or subjects of England. Under the fifth resolution, the subject so accused is entitled to a speedy trial —by the house if it assumes jurisdiction—to be acquitted or condemned. And, if condemned, then under the second resolution he can be committed by the house to prison although he is not a member of the house.

I am not going to read at length from the very interesting precedent here, but there is another interesting precedent to be found in Gray's debates of the House of Commons for 1667 to 1694, volume VI, at page 153. Now, Mr. Speaker, this precedent I have just referred to illustrates the constitutional position. Every citizen, member of the house or not, by petition under our standing order 70, or orally by or through a member in a proper proceeding, as on supply, can charge a crown employee before the house with misconduct or negligence in office. The house may investigate the charge, adjudicate the charge, and acquit or condemn the employee.

In 1964 the constitutional position is the same in the Canadian House of Commons as it was in England in 1701. Certain of these privileges have been delegated but can be repossessed at any time by parliamentary action.

The present day procedural position is that by section 18 of the British North America Act and section 4 of the Senate and House of Commons Act, this House of Commons and the members thereof have the privileges of the United Kingdom House of Commons as of 1867. These privileges can be cut down, varied, but not increased by Canadian statute. Two Canadian statutes vary the privileges of the house as to investigation, adjudication and consequent acquittal or condemnation. The criminal aspects of abuse of office are not here dealt with. The two statutes are an act respecting public and department inquiries, 1952 revised statutes, chapter 154, and the Civil Service Act, 1960-61 acts, chapter 57.

Section 6 of the Inquiries Act provides:

> The minister presiding over any department of the civil service of Canada may appoint at any time, under the authority of the governor in council, a commissioner or commissioners to investigate and report upon the state—

Mr. Speaker: Order, please.

Mr. Herridge:

> —and management of the business, or any part of the business—

Mr. Speaker: Order, please. I very much appreciate the endeavour of the hon. member to assist the Chair, especially when the matter is so fundamental, or appears to be so fundamental, but the hon. member is almost arguing his case. I think he should leave a little discretion to the Chair, and the Chair is quite capable of doing some research itself. If the hon. member cares to send me a note of these authorities it would, of course, be very much appreciated, but could I suggest at this stage that he state his question of privilege so that we may get on with the business before the house.

Mr. Herridge: Mr. Speaker, I was just trying to be helpful. I have a number of precedents here which have been given to me as evidence of what has happened in the House of Commons with respect to previous cases. Therefore, Mr. Speaker, I shall send you the complete text of my argument and, in conclusion, I move, seconded by the hon. member for Skeena:

> That this house reaffirms the constitutional practice and validity of the privilege, right and obligation of its members to fully discuss or debate the actions or statements of any public servant of Canada, where, in the discretion of any member of this house, such a course is determined by such member which constitutional privilege and obligation has been established over centuries of British parliamentary custom.

Mr. Speaker: I am sure the hon. member will appreciate that on a matter which appears to be so important and so fundamental he would not expect to get an off-hand opinion from the Chair. Therefore, with the consent of the house, I would like to take this matter into consideration and bring in a decision later.

Mr. Herridge: Mr. Speaker, are you accepting my motion?

Mr. Speaker: Not before I have had a chance to consider your authorities thoroughly.

Mr. Herridge: You are not ruling it out, Mr. Speaker?

Mr. Speaker: No, I simply said the Chair needed time to study the voluminous authorities cited by the hon. member for Kootenay West and would bring in a decision as soon as possible.

Mr. Herridge: I judge, Mr. Speaker, that will be by tomorrow?

Mr. Speaker: The Chair is only human, like the hon. member, and it might even be longer.

FINANCE

ANNOUNCEMENT OF PUBLICATION OF REPORT OF ROYAL COMMISSION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, for the convenience of the house I should like to give notice of the fact that the report of the royal commission on banking and finance will be made public late Friday

afternoon, April 24. Copies will be made available for sale to the public from 5.30 Friday at all retail outlets of the queen's printer. Arrangements are being made for these stores to remain open until 7 p.m., eastern standard time, that evening.

HOUSE OF COMMONS

ANNOUNCEMENT OF DATE OF BY-ELECTIONS

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to inform the house that by order in council P.C. 1964-556 of April 22, by-elections will be held to fill the vacancies in the two federal constituencies of Nipissing, Ontario, and Saskatoon, Saskatchewan, on June 22, 1964.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ALBERTA VETERANS HOSPITALS

Question No. 336—**Mr. Lambert:**

1. Has the province of Alberta made any proposals to the government of Canada to integrate veterans hospitals, pavilions, domiciliary care institutions in Alberta into that province's hospital plan and, if so, as indicated in the Edmonton *Journal* of Wednesday, March 4, what are the full terms of such proposals?

2. After study of the said proposals, have any counter proposals been made and, if so, what is the nature of any such counter proposals?

3. If any decision with respect to such proposals has been reached, what is the nature of such decision and, if not, when is it expected that such decision will be reached?

4. Do the above proposals include the re-sale to the province of Alberta of the Government House site in Edmonton and, at what price and under what conditions?

Mr. Teillet: 1. The answer to the first part of the question is yes. The answer to the second part of the question is that such information is contained in a confidential letter and can only be provided properly by the province of Alberta.

2. These proposals are currently under study.

3. No decision has yet been reached in this matter. When such a decision is reached, it will be made fully known to the house.

4. Yes, see second part of 1, above.

EXPENDITURES, POINTE BLEUE INDIAN RESERVE

Question No. 377—**Mr. Gauthier:**

1. What expenditures were made by the Department of Citizenship and Immigration in the year 1961-62 for the Pointe Bleue agency on (a) operation (b) maintenance (c) work on other than federal property?

2. For the same year, what expenditures were made for the welfare of Indians at Pointe Bleue chargeable to (a) operations (b) maintenance?

3. What expenditures have been made for the improvement of the economic status of Indians at Pointe Bleue chargeable to (a) operation (b) maintenance?

4. What expenditures have been made on the education of Indians at Pointe Bleue, chargeable to (a) administration (b) operation (c) maintenance?

5. How much does the Pointe Bleue reserve cost the federal government annually?

Mr. Badanai: Hereunder is a report showing the branch expenditures at Pointe Bleue agency for the fiscal year 1961-62:

(a) Operation and maintenance of buildings and works	$ 56,241.37
(b) Construction of buildings and works,	45,366.12
(c) Construction of Indian houses,	30,151.14
(d) Repairs and upkeep of Indian houses	5,498.54
(e) Other welfare costs	121,741.23
(f) Economic development	1,925.60
(g) Operation of Indian schools, including repairs and maintenance of schools; tuition and maintenance in non-Indian schools	218,503.38
(h) Construction of schools (including joint school agreements)	614,019.06
Total	$1,093,446.44

NEW FARE PROGRAM ON C.N.R.

Question No. 388—**Mr. Peters:**

1. On the Canadian National Railway, what percentage increase in passenger service resulted from the new fare program currently known as the red, white and blue plan?

2. What percentage increase has resulted in each area?

3. What extra costs are necessary to handle the increased passenger traffic?

Mr. Pickersgill: The management of Canadian National Railways advises that it is not possible to answer the question categorically in the form asked. The following information is supplied:

The first test of the red, white and blue fare plan was carried out on lines east of Montreal to the maritimes, commencing May 1, 1962. The reaction to the fare changes was very encouraging and significant increases in traffic and revenues were achieved in 1962 compared with the previous year, despite less passenger train miles being operated in 1962 than in 1961.

On May 1, 1963, some slight revisions were made to the original plan as a result of experience and the fares were extended indefinitely in the maritime territory; at the same time they were offered in Newfoundland. On June 23, 1963, the new rates were introduced between Toronto and North Bay and in

conjunction with the Ontario Northland Railway to points in northern Ontario. The new fare system was brought into effect on the transcontinental route, on local services in western Canada and in southwestern Ontario, effective October 27, 1963.

As shown in the 1963 annual report, the downward trends in traffic and revenues of recent years were halted in 1962 and reversed in 1963. During 1963 the total number of revenue passengers carried increased 9.3 per cent from 12.4 million to 13.6 million. The number of passengers carried one mile, or revenue passenger miles, increased by 13.9 per cent from 1.0 billion to 1.2 billion. Total rail revenue derived from the transportation of passengers (fare, accommodation, meals and miscellaneous) increased by almost $1,000,000 from 1961 to 1963, a two year period when total passenger train miles operated were decreased by slightly in excess of 13 per cent.

By and large, increases in traffic and in revenues have occurred whenever and wherever the new fares have been introduced. They have also increased traffic in adjoining or non-red, white and blue territories by encouraging through or connecting traffic.

The level of charges under red, white and blue is such as to encourage the largest increase in passenger travel, relative to the cost of providing the service. The relation of revenues to expenses of operation is expected to be more favourable under this fare plan than under others.

Detailed results obtaining in any given territory and other similar data have not been released publicly, for competitive reasons.

APPEARANCES OF MARCEL CHAPUT ON C.B.C.

Question No. 389—**Mr. Matheson:**

1. On what date or dates was Marcel Chaput, the author of "Why I am a separatist" a guest of C.B.C. radio or television and in each case for what length of time?
2. What radio or television stations carried such broadcasts and where are they situated?
3. What was the purpose of the C.B.C. in extending this radio or television time to Chaput?

Mr. Lamontagne: I am informed by the Canadian Broadcasting Corporation as follows:

1.

Date	Title of Program	Duration of Program	Duration of Participation by Mr. Chaput	Other Participants
	RADIO NETWORK (FRENCH)			
June 8/61	Place Publique	30 mins.	5 mins. (approx.)	Roger Cyr Jean Hubert Gaetan Legault
Nov. 17/61	Rondpoint	15 mins.	5 mins. (approx.)	Michael Oliver
Dec. 26/61	Rondpoint	15 mins.	5 mins.	Adelard Desjardins Maurice Lamontagne Jean-Jacques Bertrand
Dec. 29/61	Rondpoint	15 mins.		Raymond Barbeau
Dec. 7/61	Partage	30 mins.	5 mins.	
Feb. 15/62	Place Publique	30 mins.		Andre Laurendeau Jean Boucher Michael Oliver
Feb. 28/62	Metro-Magazine	40 mins.	5 mins.	
Jan. 17/62	Rondpoint	15 mins.	5 mins.	Andre Laurendeau
Aug. 6/62	Metro-Magazine	40 mins.	5 mins.	
Sept. 25/62	Metro-Magazine	40 mins.	5 mins.	
Dec. 18/62	Partage du matin	30 mins.	5 mins.	
July 23/63	Partage du matin	30 mins.	9 mins.	
Aug. 29/63	Partage du matin	30 mins.	12 mins. 12 secs.	Gerard Pelletier

Date	Title of Program	Duration of Program	Duration of Participation by Mr. Chaput	Other Participants
	TELEVISION NETWORK (FRENCH)			
Nov. 15/60	Carrefour	30 mins.	5 mins. (approx.)	
Nov. 20/61	Carrefour	30 mins.	5 mins. (approx.)	
Dec. 9/62	Tribune Libre	30 mins.		Laurier Lapierre Real Pelletier
Mar. 18/63	Aujourd'hui	60 mins.	5 mins. 30 sec.	
Apr. 23/63	Aujourd'hui	60 mins.	8 mins.	
May 5/63	Tribune Libre	30 mins.		Leon Dion Jean-Charles Harvey Yves Michaud
Aug. 13/63	Aujourd'hui	60 mins.	4 mins.	
Aug. 23/63	Conference de Presse	30 mins.		Pierre de Bellefeuille Michel Roy Yves Michaud Jean Dufresne
Jan. 18/64	Champ Libre	60 mins.	10 mins.	
Jan. 22/64	Aujourd'hui	60 mins.	8 mins.	

2. These programs were available to the stations of the C.B.C. French radio and television networks. It would be necessary to examine the logs of each station, for each occasion, to determine whether or not the particular program was transmitted. The networks are made up as follows:

C.B.C. French radio network stations—(C.B.C. owned and operated stations marked*): *CBAF, Moncton, N.B., CHNC, New Carlisle, Que., *CBJ, Chicoutimi, Que., *CBV, Quebec, Que., CFLM, La Tuque, Que., CHLT, Sherbrooke, Que., CCKRN, Rouyn, Que., CHAD, Amos, Que., CFBR, Sudbury, Ont., CFRG, Gravelbourg, Sask., CJAF, Cabano, Que., CJEM, Edmundston, N.B., CJBR, Rimouski, Que., CHGB, Ville de la Pocatiere, Que., CHLN, Trois Rivieres, Que., CKLD, Thetford Mines, Que., CBF, Montreal, Que., CKVD, Val d'Or, Que., CKVM, Ville Marie, Que., CKSB, St. Boniface, Man., CHFA, Edmonton, Alta., CKBL, Matane, Que., CJFP, Riviere-du-Loup, Que., CKML, Mont Laurier, Que., CHRL, Roberval, Que., CKRB, Ville St. Georges, Que., CKCH, Hull, Que., CKLS, La Sarre, Que., CFCL, Timmins, Ont., CFNS, Saskatoon, Sask., CFKL, Schefferville, Que.

C.B.C. French radio network low power relay transmitters: *CBAA, Wedgeport, N.S., *CBAH, Meteghan, N.S., *CBAL, St. Quentin, N.B., *CBFG, Gaspe, Que., *CBLX, Hearst, Ont., CBAE, Digby, N.S., CBAJ, Yarmouth, N.S., CBFB, Megantic, Que., CBLK, Kirkland Lake, Ont., CBAG, Weymouth, N.S., CBAK, Kedgwick, N.B., CBFC, Senneterre, Que., CBLU, Smooth Rock Falls, Ont.

French network (television) C.B.C. owned: *CBAFT, Moncton, N.B., *CBFT, Montreal, Que., CBOFT, Ottawa, Ont., CBWFT, Winnipeg, Man.

Relay and rebroadcasting stations: *CBFT-1, Mont Tremblant, Que., *CBFST, Sturgeon Falls, Ont., *CBFST-2, Timiscaming, Que., CBFT-2, Mont Laurier, Que., CBFST-1, Sudbury, Ont.

Privately owned: CHAU-TV, New Carlisle, Que., CJBR-TV, Rimouski, Que., CKRS-TV, Jonquiere, Que., CKTM-TV, Trois Rivieres, Que., CKBL-TV, Matane, Que., CKRT-TV, Riviere-du-Loup, Que., CFCM-TV, Quebec, Que., CHLT-TV, Sherbrooke, Que., CKRN-TV, Rouyn, Que., CHAU-TV-2, St. Quentin, N.B., CHAU-TV-4, Chandler, Que., CHAU-TV-6, Gaspe, Que., CJBR-TV-2, Sept Isles, Que., CKRS-TV-3, Roberval, Que., CKRS-TV-1, Port Alfred, Que., CKRN-TV-1, Senneterre, Que., CHAU-TV-1, Ste. Marguerite Marie, Que., CHAU-TV-3, Port Daniel, Que., CHAU-TV-5, Perce, Que., CJBR-TV-1, Edmundston, N.B., CKBL-TV-1, Mont Climont, Que., CKRS-TV-2, Chicoutimi, Que., CKRT-TV-1, Baie St. Paul, Que.

3. The corporation has a responsibility to provide fair opportunity for the presentation of the principal points of view on issues of public interest and concern. The corporation policy for controversial broadcasting is included in the B.B.G. statement on policy for political and controversial broadcasting, which states:

1. The air belongs to the people, who are entitled to hear the principal points of view on all questions of importance.

2. The air must not fall under the control of any individuals or groups influential by reason of their wealth or social position.

3. The right to answer is inherent in the democratic doctrine of free speech.

4. Freedom of speech and the full interchange of opinion are among the principal safeguards of free institutions.

Questions

EXPENDITURES IN INDIAN AGENCIES, B.C.

Question No. 445—**Mr. Howard:**

For the fiscal year 1963-64 how much money was spent for (a) house building (b) house repairs (c) welfare (relief) (d) roads (e) water systems, and (f) sewage systems in each of the Indian agencies of (i) Skeena river (ii) Terrace (iii) Queen Charlotte (iv) Bella Coola (v) Babine, and (vi) Burns lake?

Mr. Badanai: See following table.

	Skeena river	Terrace	Queen Charlotte	Bella Coola	Babine	Burns Lake	Total
	$	$	$	$	$	$	$
House building	12,597	8,007	5,152	5,376	2,355	17,684	51,171
House repair	3,477	1,146	667	2,066	4,736	717	12,809
Welfare (relief)	9,164	9,535	72,193	8,352	17,200	22,624	139,068
Roads	5,785	32,617	—	—	3,284	—	41,686
Water and sewage systems	4,703	31,563	2	3,229	1,360	1,478	42,335
Totals	35,726	82,868	78,014	19,023	28,935	42,503	287,069

SLEEPING CAR SERVICE, CHARLOTTETOWN, P.E.I.

Question No. 453—**Mr. Macquarrie:**

1. Have discussions been held with the C.N.R. relative to restoring sleeping car service to and from Charlottetown at least during centennial year 1964?

2. What has been the outcome of any such discussions?

Mr. Pickersgill: The management of Canadian National Railways advises as follows:

1 and 2. No. However, the question of train service to and from Prince Edward Island has been given special attention, particularly in view of the centennial celebrations this year. Consideration is currently being given to improvements in available transportation services which would benefit the majority of rail travellers to and from Prince Edward Island.

BROADCASTS TO STRENGTHEN NATIONAL UNITY

Question No. 456—**Mr. Matheson:**

1. What C.B.C. radio or television programs were produced in 1963 designed to foster and strengthen national unity?

2. What radio or television stations carried such broadcasts and where are they situated?

Mr. Lamontagne: I am informed by the Canadian Broadcasting Corporation as follows:

1. The attached list is representative of programs of various types presented during 1963 on C.B.C. radio and television which had in their content many of the elements that would contribute to the fostering and strengthening of national unity.

2. In addition to C.B.C. stations, these programs were also available to the affiliated private stations of the C.B.C. radio and/or television networks. It would be necessary to examine each station log, for each occasion, to determine whether or not a particular program was transmitted.

Series	Subtitle	Remarks	Duration	Network
Explorations	Road to Confederation (Sir Charles Tupper)	Dramatic portrayal of Sir Charles Tupper's part in confederation	30 min.	TV
Explorations	Road to Confederation (Louis Hippolyte Lafontaine)	Dramatic portrayal of Lafontaine's part in confederation	30 min.	TV
Explorations	Arctic Circle	Four interviews about the Arctic with Stefansson and Inspector Henry Larson	30 min. ea.	TV
Explorations	The Doukhobors	Two programs traced arrival and life of this sect since coming to Canada	30 min. ea.	TV
Explorations	Antigonish International	Two programs—story of international ramifications of St. Francis Xavier University's work	30 min. ea.	TV

Series	Subtitle	Remarks	Duration	Network
Explorations	Fellow Canadians	Two programs—story of student exchange program between western Canada and Quebec	30 min. ea.	TV
Explorations	Class of '39	Two programs comparing outlook of members of UBC graduates of class of 1939 with their fortunes and outlook on world of today	30 min. ea.	TV
Explorations	A Public Life	Interviews with four ex-politicians about their public life	30 min.	TV
Explorations	The Hutterites	A visit to a Hutterite colony in Alberta	30 min.	TV
Close-up	Winter Navigation on the St. Lawrence Seaway	Program about shipping on the St. Lawrence in the winter months	30 min.	TV
Close-up	Portrait of Caughnawaga Indians		30 min.	TV
Close-up	French Canada	Program explored French Canada's grievances especially in labour field	30 min.	TV
Newsmagazine	Report on Canadian Indian	Study of social and economic problems and steps being taken to deal with them	30 min.	TV
Newsmagazine	Canadian Space Program	The Alouette satellite and other efforts portrayed	30 min.	TV
Newsmagazine	Change in Government for Northwest Territories	Discussion of what change would mean for the territories	30 min.	TV
Camera Canada	The Big Country	The cattle drive in the foothills of Alberta	60 min.	TV
Camera Canada	The Wilderness	Look at the wilderness country in B.C., Alberta and Yukon	60 min.	TV
Camera Canada	The Opening of The West	The program, using still photographs, traced the opening of the west from 1860–1920	60 min.	TV
Camera Canada	Last Summer	Sights and sounds of summer in forest, marsh and prairie	60 min.	TV
Camera Canada	Montreal	A portrait of the city	60 min.	TV
Camera Canada	Calgary Stampede	Highlights of the rodeo	30 min.	TV
Citizens' Forum	Confederation a Century Later—Does it Still Work	Four programs: (*a*) education, (*b*) economic development, (*c*) fiscal arrangements, (*d*) civil rights	30 min. ea.	TV (Eng. & Fr.)
Telescope	The Calgary Eye Opener	The story of Bob Edwards	30 min.	TV
Telescope	Big City—Halifax, Montreal, Ottawa, Toronto and Winnipeg	A series about the attractions and problems of life in these big cities		TV
Wednesday Night	The Great Song	The story of Calixa Lavalee, composer of "O Canada"	90 min.	Radio
Wednesday Night	Henri Bourassa	A political profile	60 min.	Radio
The Learning Stage	Ear for French	26 French Lessons	10 min. ea.	Radio
The Learning Stage	Basic Canada	13 weekly programs—a study of Canadian political institutions		Radio
	Time for French	A weekly program of French conversation	15 min.	Radio
	Speaking French	Weekly lessons in conversational French	30 min.	TV
	The Massey Lectures (The Image of Confederation)	6 talks by Professor H. F. Underhill	30 min.	Radio
A Special	Dominion Day Ceremonies from Ottawa		60 min.	TV & Radio
A Special	The Johnson-Lesage Debate	Quebec election campaign	60 min.	TV (Fr. & Eng.)

Questions

ACCESS ROADS CONSTRUCTION PROGRAM

Question No. 616—**Mr. Stefanson:**

1. What is the total value of roads constructed under the forest access roads construction program and what is the federal government's share to date?

2. What are the figures for each province, giving total mileage of roads, total cost and federal government's share of cost?

3. Does the federal government share in the cost of maintenance of these roads, if so, what has been their share listed by provinces?

4. During the 1964-65 fiscal year what roads are planned under this program, listing by provinces, with estimated cost of same?

Answer: 1. The total cost of forest access road construction carried out to date is approximately $31,197,000 and the federal government contribution is $15,289,287.

2. The following table shows for each province the approximate mileage of right of way clearing, grade construction, gravelling, total cost of the work, and the federal share.

Progress and cost of forest access road construction

Province	Clearing	Grading	Gravelling	Cost ($) Total	Federal Share
British Columbia	456	434	240	8,333,701	4,115,944
Alberta	726	435	194	3,607,167	1,770,826
Saskatchewan	410	198	83	2,146,153	1,057,855
Manitoba	401	289	251	2,757,250	1,338,691
Ontario	401	324	120	6,545,272	3,142,644
Quebec	619	652	442	6,545,192	3,232,314
New Brunswick	114	98	80	532,170	266,085
Nova Scotia	91	63	22	483,500	241,697
Newfoundland	90	103	—	244,506	122,253
Prince Edward Island	—	2	—	2,026	978
Totals	3,308	2,598	1,432	31,196,937	15,289,287

3. The federal government does not share in the cost of maintenance of forest access roads.

4. The information requested is not available because programs for the fiscal year 1964-65 have not been completed.

ACCESS ROADS PROGRAM, MANITOBA

Question No. 617—**Mr. Stefanson:**

1. When was the forest access roads construction program brought into being?

2. What roads were constructed in the province of Manitoba under this program, listing location of road, approximate mileage of each and cost of same, also showing how cost was shared?

3. Does the federal government share in maintenance of these roads or is this cost borne entirely by the provincial government?

4. During the 1964-65 fiscal year what roads are planned for the province of Manitoba under this program?

5. What is the estimated cost of same?

Answer: 1. The first federal-provincial forest access road construction agreement was in effect from January 2, 1958 to June 30, 1958.

2. (a) Complete details are not available for all projects carried out in Manitoba prior to June 30, 1959. However, about 207 miles of right of way were cleared, 44 miles of grade were constructed and 34 miles were gravelled. The total cost was $985,714 and the federal government share was $452,923. (b) For the period from December 1, 1960 to the present, the following table shows the progress and the total expenditure made on each forest access road construction project carried out in Manitoba:

Summary of progress and expenditures in Manitoba under forest access road construction agreements, Dec. 1, 1960 to March 31, 1964.

Project	Clear	Grade miles	Gravel	Expenditure
Whitemouth L. to Dawson Rd.	17	17	17	$ 67,602
Whiteshell West Fireguard	7	8	11	67,516
Lake St. George to Jackhead R.	3	13	18	62,251
Sandilands West Boundary	6	11	10	14,139
Woodridge to PTH #12	—	5	8	99,645
Thompson Rd. to Paint L.	2	—	—	7,656
Moose L. to Dawson Rd.	—	—	22	28,270

Project	Questions: Clear	Grade miles	Gravel	Expenditure
Sandilands Central Rd.	3	6	13	17,527
Le Mine Road (T.C.H. to G.W.W.D. Hwy.)	—	10	8	40,213
Bissett to Caribou L.	9	—	—	39,315
Grand Rapids Hwy. to Cedar L.	41	41	41	657,676
Pine River to Wellman L.	—	5	7	41,339
Blue L. to Wellman L.	—	11	11	166,151
Hart Mt. tower	—	1	3	9,091
Fireguard Trails, Sandilands F.R.	17	39	2	69,499
St. Labre	4	—	—	1,174
W. Boundary Wooded Dist. (Marchand to PTH #1)	14	16	—	110,975
Trail S. of Flacon L.	3	—	—	6,445
Whitemouth L. to Whitemouth R.	—	4	—	6,388
Fireguard Rd. PTH #4 to PTH #1 (Location survey only)	—	—	—	2,604
Fish Rd. (Rosenburg to Koostatak)	20	—	—	22,597
Whitefish Lake (Porcupine Mt. F.R.)	—	9	9	33,613
PTH #10 to Baden	—	6	6	46,140
Waterhen to Homebrook	5	14	—	84,537
Waterhen to Mallard L.	4	4	9	14,239
Idylwild to Wallmore	4	3	6	3,969
Grand Rapids Hwy. to Long Point	20	6	—	24,736
Cedar Lake Road to Denbeigh Pt.	5	5	5	17,154
Whiteshell Central Rd. to Wpg. R.	—	1	1	2,385
Rice Lake Tower	3	3	3	2,000
Windy Hill Tower	6	6	6	4,000
Ketchum Hill Tower	1	1	1	690
Totals	194	245	217	$ 1,771,536
Federal government share				$ 885,768

3. The federal government does not share in the cost of maintenance of these roads.

4. and 5. The information requested is not available as yet because Manitoba's program for the fiscal year 1964-65 has not been received.

PRINTING BUREAU CONTRACTS WITH PRIVATE FIRMS

Question No. 630—**Mr. Jorgenson:**

1. What percentage of printing by the printing bureau is "farmed" out to private printing firms?
2. What is the dollar value of contracts let in (a) western Canada (b) Ontario (c) Quebec (d) the maritimes, in the last fiscal year?
3. Are contracts let by public tender and, if not, who are invited to tender?

Mr. Drury: 1. Approximately 50 per cent of printing is contracted out by the printing bureau.

2. In the 1963-64 fiscal year the following is the dollar value of contracts in: western Canada, $198,226.00; Ontario, $3,970,210.00; Quebec, $1,547,269; maritimes, $75,972.

3. Contracts are not issued as a result of paid advertisements to tender. Tenders are invited from firms who have indicated that they wish to tender on government business and who are considered to have the proper facilities for the particular printing jobs.

COST OF ISSUING SOCIAL INSURANCE CARDS

Question No. 670—**Mr. Laprise:**

What will be the cost (advertising, radio, television, newspapers, etc.) of issuing the new social insurance cards which are being distributed by the unemployment insurance commission for the government?

Mr. MacEachen: The estimated ultimate cost of advertising, including radio, television and other advertising media to publicize the new social insurance cards is:

Newspapers	$159,606
Publications	17,156
Radio	59,488
Television	47,400
Billboard advertising	33,400
Production costs	14,950
	$332,000

AWARDS AVAILABLE FOR ACTS OF BRAVERY

Question No. 671—**Mr. Basford:**

What are the names or designations of the decorations or medals available from the Queen to Canadian citizens on the recommendation of the government of Canada in recognition of acts of bravery performed at the risk of death or serious personal injury?

Mr. Lamontagne: In so far as the Department of National Defence is concerned the

Questions

following are names and designations of sovereign's awards which may be awarded, in peacetime, to members of the Canadian armed forces for acts of bravery at risk of death or serious personal injury: George Cross, G.C.; Commander of the Most Excellent Order of the British Empire, C.B.E.; Officer of the Most Excellent Order of the British Empire, O.B.E.; Member of the Most Excellent Order of the British Empire, M.B.E.; Albert Medal in Gold, A.M. (posthumously only); Albert Medal, A.M. (posthumously only); George Medal, G.M.; Air Force Cross, A.F.C.; Air Force Medal, A.F.M.; British Empire Medal for Gallantry, B.E.M.; Queen's Commendation for Brave Conduct; Queen's Commendation for Valuable Service in the Air.

In addition, the following are available only to members of the nursing service displaying exceptional bravery on duty: Royal Red Cross, Class I, R.R.C.; Royal Red Cross, Class II, A.R.R.C.

In so far as the Department of the Secretary of State is concerned:

The names or designations of decorations or medals available from the Queen to Canadian civilians on the recommendation of the government of Canada in recognition of acts of bravery performed at the risk of death or serious personal injury are: George Cross, G.C.; Officer of the Most Excellent Order of the British Empire, O.B.E.; Member of the Most Excellent Order of the British Empire, M.B.E.; Albert Medal in Gold, A.M. (posthumously only); Albert Medal, A.M. (posthumously only); George Medal, G.M.; Queen's Police Medal for Gallantry (posthumously only); Queen's Fire Service Medal for Gallantry (posthumously only); Edward Medal, E.M. (posthumously only); British Empire Medal for Gallantry, B.E.M.; Queen's Commendation for Brave Conduct; Queen's Commendation for Valuable Service in the Air.

C.B.C. NEWS REPORTERS AND COMMENTATORS

Question No. 692—**Mr. Lambert:**

Are full-time news reporters and commentators in the employ of the C.B.C. permitted to act as news reporters and commentators for newspapers, magazines and publications under their own by-line and, if so, what are the restrictions, if any, imposed upon such activities?

Mr. Lamontagne: I am informed by the C.B.C. that staff reporters and correspondents under contract may engage in outside writing or other activities upon receiving permission to do so, provided it is not in direct competition with the news service of the corporation, and that the outside employment shall not interfere with the worker's employment with the C.B.C., or be of a nature that is likely to embarrass the corporation.

COST OF OBTAINING UNIVERSITY DEGREES

Question No. 696—**Mr. Orlikow:**

What is the approximate total cost, at the present time, of educating the following qualified persons up to (i) bachelor's (ii) master's, and (iii) doctor's levels (a) engineers (b) mathematicians (c) physicists (d) scientists (e) physicians and surgeons?

Answer: The cost of education used in these calculations is the estimated cost for the current year, i.e. the school year 1963-64. Thus the costs of university education to the bachelor's level are four times the cost of one year of undergraduate education in 1963-64.

Cost to university is the current operating cost only. It does not include: (a) implicit rent, i.e. depreciation, wear and tear of buildings and capital equipment; (b) tax exemptions.

Cost to the student is limited to educational expenditures only, including tuition and other fees, textbooks, school supplies and equipment and transportation (other than local). It does not include (a) living costs; (b) possible earnings foregone.

Approximate costs have been calculated for mathematicians, engineers and physicians and surgeons. It is not possible to estimate figures for physicists and other scientists but it may be assumed that they will fall between the costs for mathematicians and for engineers, probably closer to engineers.

Estimated Total Cost of Educating Engineers, Mathematicians and Physicians and Surgeons

Engineers	Cost to student $	Cost to community $	Total $
Elementary and secondary	300	6,600	6,900
University to bachelor's level (4 years)	3,000	7,200	10,200
Total to bachelor's level	3,300	13,800	17,100
Postgraduate to master's level (1 year)	600	2,500	3,100
Total to master's level	3,900	16,300	20,200
Postgraduate to doctor's level (2 years)	1,100	4,000	5,100
Total to doctor's level	5,000	20,300	25,300

Questions

Mathematicians	Cost to student	Cost to community	Total
	$	$	$
Elementary and secondary	300	6,600	6,900
University to bachelor's level (4 years)	2,200	4,900	7,100
Total to bachelor's level	2,500	11,500	14,000
Postgraduate to master's level (1 year)	600	1,300	1,900
Total to master's level	3,100	12,800	15,900
Postgraduate to doctor's level (2 years)	1,100	2,500	3,600
Total to doctor's level	4,200	15,300	19,500
Physicians and surgeons			
Elementary and secondary	300	6,600	6,900
University-pre-medical (2 years)[1]	1,100	2,500	3,600
University-medical course (4 years)	4,100	7,800	11,900
Total to doctor of medicine[2]	5,500	16,900	22,400

[1]In medical schools where three years of post-medical training is required total cost to the student would be $6,100, and to the community $18,200 making a total of $24,300.

[2]Before a physician or surgeon may enter public practice one additional year of internship is required.

HYDROGRAPHIC SURVEY, LAKE WINNIPEG

Question No. 705—**Mr. Stefanson:**

1. How much money will be spent during 1964 on the survey being carried out on lake Winnipeg, Manitoba, by the Canadian hydrographic service?
2. On what part of the lake will this work be carried out and approximately how many persons will be employed?
3. When is it expected that the survey will be completed and when will the charts be available?

Mr. Benidickson: 1. Nil.

2. Not applicable.

3. It will take about 12 years to complete the survey of lake Winnipeg, once work is restarted. The charts will be available about two years after each section of the lake is completed.

*APPOINTMENT OF CARETAKER, FEDERAL BUILDING, SPRINGHILL, N.S.

Question No. 706—**Mr. Coates:**

1. Does the Department of Public Works plan to appoint a non-veteran as caretaker of the new federal building in Springhill without notifying the Royal Canadian Legion in Springhill that the vacancy is in existence and is to be filled?
2. Did the department follow the same procedure when the last position was filled at this federal building?

Mr. Deschatelets: 1. No. There is no vacancy for a caretaker in the new federal building at Springhill. The present caretaker is on extended sick leave. Should he not return to work, the position would be filled either by promotion or by the civil service commission after a public competition.

2. This was done by the civil service commission after a public competition.

LETTER CARRIER SURVEY, SELKIRK, MAN.

Question No. 714—**Mr. Stefanson:**

1. When was a survey last made in the town of Selkirk by the Post Office Department with a view to implementing letter carrier service?
2. What was the result of that service?
3. When is it expected that letter carrier service will be commenced?

Mr. Nicholson: 1. The last survey was made in Selkirk, Manitoba, in June 1963.

2. It indicated that there were 2,050 calls available for letter carrier delivery service.

3. When the town has developed to the extent that there are 2,500 available calls in a compact area.

RESTRICTIONS ON DUMPING OF WASTE INTO GREAT LAKES

Question No. 718—**Mr. McMillan:**

Is there any restriction to ships dumping raw sewage, oil and other wastes into the great lakes system or into any of its confined waters?

Mr. Pickersgill: The oil pollution prevention regulations provide that no person shall discharge or allow to escape from a ship into the inland, minor or other waters of Canada any oil or oily mixture that foul the surface of the water, and oil includes crude oil, fuel oil, heavy diesel oil, lubricating oil, vegetable oil, fish or other fatty oils.

The Navigable Waters Protection Act provides that no person shall throw material or rubbish liable to sink to the bottom into any navigable water or into navigable non-tidal water of Canada where there are not at all times at least eight fathoms of water.

RED CROSS HOSPITAL, MASSET, B.C.

Question No. 719—**Mr. Howard:**

Does the Department of National Health and Welfare have any plans to occupy, by lease, purchase or otherwise, the Red Cross hospital at Masset, B.C. and, if so, what are the details of any such plans?

Miss LaMarsh: No.

Questions

EXPATRIATED RECIPIENTS OF WAR VETERANS ALLOWANCE

Question No. 725—**Mr. Matheson:**

1. How many veterans of allied countries in receipt of war veterans allowances resided outside of Canada in 1963?

2. By countries, how much was paid to such veterans in 1963?

3. By countries, what system of supervision is in effect to ascertain the current income of such expatriated W.V.A. recipients?

Mr. Teillet: 1. One hundred and eleven.

2. Australia, $1,008; Belgium, $336; France, $5,477.93; India, $636; Italy, $35,839.40; New Zealand, $1,754.22; Poland, $1,644; United Kingdom, $37,460.42; U.S.A., $20,136.56.

3. Each year a form is sent to all those who are receiving war veterans allowance outside Canada. The form contains questions, the answers to which provide a full report of the veteran's financial and domestic circumstances. The information on this form must be supported by a declaration made before a magistrate, notary public or other authorized official as to its truthfulness. The supervision of recipients outside Canada comes under the foreign countries district authority at Ottawa which obtains reports of the veterans' circumstances in all countries through the medium of the office of the Secretary of State for External Affairs and other agencies.

SITE OF OCEANOGRAPHIC INSTITUTE, VICTORIA, B.C.

Question No. 728—**Mr. Groos:**

Has the Minister of Mines and Technical Surveys received a telegram from the president and the immediate past president of the Alma Mater Society of Victoria University relative to the siting of the proposed institute of oceanography in Victoria and, if so, has a decision been made to transfer the site of this institute from the campus of Victoria University to a waterfront site in the Victoria area?

Mr. Benidickson: Yes. No decision was ever made with Victoria University to locate a western institute of oceanography on the university campus. Among the sites considered was one on the campus.

Careful study over three years has indicated definite advantages in a seaside site in association with the Canadian coastguard service of Department of Transport.

NAVIGATION AIDS, LAKE WINNIPEG

Question No. 731—**Mr. Stefanson:**

1. How much money is allocated for the aids to navigation program for lake Winnipeg and adjoining rivers and lakes for 1964?

2. What are the locations and types of projects planned for this area under this program for 1964?

[Miss LaMarsh.]

Mr. Pickersgill: 1. The estimates for 1964-65 would provide $108,920 for aids to navigation, administration, operation, maintenance and construction at the Selkirk Manitoba subagency.

2. In addition to ordinary maintenance, minor repairs and operation of existing equipment, the following projects are provided for in the estimates: (a) Department of Transport's share in providing office, workshop and stores building; (b) Lightkeeper's dwelling at Warren's Landing; (c) Repairs to range beacons Winnipeg river; (d) Relocate one pair of range beacons and instal additional pair of range beacons at Bloodvein river; (e) Take over and improve system of aids to navigation maintained by Selkirk Navigation Company, between Warren's Landing and Norway House, Nelson river; (f) Installation of range lights Papoose channel, lake Winnipegosis.

COST OF DAWSON CITY FESTIVAL

Question No. 733—**Mr. McMillan:**

1. What was the total cost of the Dawson city festival in 1962?

2. What amounts were contributed by the Canadian taxpayer through federal funds and through the council of the Northwest Territories?

Mr. Laing: 1. Not available, since the department has no full record of private expenditures for this purpose.

2. Government of Canada

As reported in return tabled December 19, 1962	$343,954.99
Payments to creditors of the Dawson city festival foundation to be made from vote 106e, supplementary estimates "E" 1963-64, and not included in the above	87,500.00
Total	$431,454.99

Northwest Territories: The commissioner of the Northwest Territories advises that the government of the Northwest Territories incurred no expenditure in connection with the Dawson city festival.

C.B.C. TELEVISION STATION, QUEBEC CITY

Question No. 736—**Mr. Marcoux:**

1. When will the C.B.C. open a television station in the city of Quebec?

2. Where will the studios and the transmitter be located?

3. Will the C.B.C. operate an English language television station in the city of Quebec?

[*Translation*]

Mr. Lamontagne: The C.B.C. informs me as follows:

1. Next September.

2. The studios will be at Ste. Foy and the transmitter on Orleans island.

3. The C.B.C. has no such project at present. CKMI-TV, a private affiliated station, provides approximately 55 hours a week of C.B.C. programs in English.

[*Text*]

*COST OF ALTERATIONS, VALCARTIER ARSENAL

Question No. 743—**Mr. Beaule:**

1. What is the total cost of the alterations being performed at present at the Valcartier arsenal?
2. For whom or for what purpose are those works being undertaken?
3. If the government has decided to sell part of Canadian Arsenals Ltd., why are new works being undertaken?
4. Will the cost of these alterations be included in the sale price of the corporation when it is sold?

[*Translation*]

Mr. Drury: 1. Some $83,000.

2. Since the Cote du Palais plant will soon be closed down in Quebec city, it will be necessary to provide room at the Valcartier arsenal for certain facilities which are essential to the production of light weapons ammunition. We will thus reduce total operating costs and at the same time retain production facilities for light weapons ammunition.

3. See No. 2 above.

4. Yes.

[*Text*]

LIFT LOCK AND DAM, TRENT WATERWAY

Question No. 752—**Mr. Stenson:**

1. Will the work on the hydraulic lift lock at Peterborough, Ontario be completed in time to coincide with the opening of the Trent waterway?
2. Will the construction of the dam at Burleigh falls, Ontario interfere with the water levels in the lakes adjacent to the dam?

Mr. Pickersgill: 1. The Trent canal in general is scheduled to be open for navigation on May 15; the Peterborough lift lock, due to contract work, is not scheduled to be open until June 1, 1964. This information was published in a notice to mariners dated March 20, 1964.

2. Details of the method of constructing the proposed new dam at Burleigh falls have not as yet been finalized. However, it is not expected that the levels in the lakes adjacent to the proposed new dam will be affected by its construction.

REQUEST FOR MEDIUM TERM EXPORT FINANCING

Question No. 760—**Mr. MacEwan:**

1. Has the government received a submission from the Canadian export association for extension of export financing into the medium term field so as to cover periods under five years for industrial machinery and equipment and, if so, what decision has been reached on the matter?
2. If no decision has been reached, when can a decision be expected?

Answer: 1. The Minister of Trade and Commerce received the submission. It is presently being studied by officials.

2. Answered by 1.

*ORDERS FOR ENAMEL AND HEATING PRODUCTS LTD., AMHERST, N.S.

Question No. 770—**Mr. Coates:**

Has the Minister of Industry taken any action to increase the overhaul and repair work for Enamel and Heating Products Limited at Amherst, N.S., and, if so, what steps have been taken?

Mr. Drury: The problem of work load at Enamel and Heating Products Limited is one shared, to some degree, by the whole aircraft repair and overhaul industry. Due to the phasing out of older types of aircraft, the requirements on industry for repair and overhaul have declined significantly in terms of manhours.

My officers are, however, currently discussing with Enamel and Heating Products the possibility of further component overhaul and repair work for the company's aircraft division at Amherst. It is hoped that these discussions will be fruitful.

QUESTIONS PASSED AS ORDERS FOR RETURNS

OFFSET AND LETTERPRESS CONTRACTS, P.P. AND S.

Question No. 366—**Mr. Rideout:**

1. For the 1962-63 fiscal year, what are the names, with postal addresses, of private printing firms which received contracts, or orders, from the department of public printing and stationery for offset printing, showing amounts in each case?
2. For the 1962-63 fiscal year, what are the names, with postal addresses, of private printing firms which received contracts, or orders, from the department of public printing and stationery for letterpress printing, showing amounts in each case?

Return tabled.

BOOKS PUBLISHED BY FEDERAL DEPARTMENTS

Question No. 633—**Mr. Caouette:**

With respect to the following books published by various federal government departments: (1) *Weather Ways*, Harvey Johnson, illus. Norman Steinhaur, Department of Transport, (2) *Geology and Economic Minerals of Canada*, by officers of the geological survey of Canada, edited by C. H. Stockwell, Department of Mines and Technical Surveys, (3) *A Guide to Geology for Visitors in Canada's National Parks*, by David M. Baird, national parks branch, Department of Northern Affairs and National Resources, Canada (a) are they translated into French (b) what is the price of each (c) what was the date of first printing of each (d) what was the last date of printing, in English and in French (e) for what use are they intended (f) are they available to the public (g) are they used in Canadian schools (h) are they

used in Quebec schools and, if so, since what date (i) have the departments concerned received any requests for these volumes?

Return tabled.

UNITED NATIONS EXPEDITIONARY FORCES

Question No. 641—**Mr. Caouette:**

1. How many expeditionary forces does the U.N. have in various parts of the world and on what date was each formed?
2. Where is each of these forces located, and what are the duties of each?
3. How many people, civilian and military, are in these forces?
4. What expenditures are involved in maintaining these forces?
5. Does Canada take part in the organization and in the operations of these forces and, if so, how many Canadians are there in these forces?
6. In which forces are there Canadians members, and in what parts of the world are they serving?
7. How many Canadians, military and civilian, are presently serving in (a) the Congo (b) Cyprus (c) Gaza?
8. How long have Canadians been in the Congo?
9. What is the nature of the Canadians' work in the Congo?
10. How much is Canada spending, or how much has Canada spent, to keep these men in the Congo?
11. How many Canadians, military and civilian, are serving on a mission in Gaza?
12. How long have these Canadians been in Gaza?
13. What is the nature of their mission in Gaza?
14. How much has Canada spent on the Gaza mission since it began?
15. When will the Gaza mission's work end?

Return tabled.

MOTIONS FOR PAPERS

CORRESPONDENCE BETWEEN LUC-GILBERT LESSARD AND HEALTH AND WELFARE DEPARTMENT

Motion No. 37—**Mr. Langlois:**

That an order of the house do issue for a copy of all correspondence, letters, telegrams or other documents exchanged between maitre Luc-Gilbert Lessard, of Black Lake, Megantic county, and the Minister of National Health and Welfare or the deputy ministers or any officials of that department, since March 1, 1963.

Motion agreed to.

COMMITTEE STUDY OF PENSION PLAN

Motion No. 101—**Mr. Aiken:**

That an order of the house do issue for a copy of all letters written, or telegrams sent, by the Prime Minister between February 17 and March 20, 1964, relating to the proposed functions of a parliamentary committee to study the Canada pension plan.

Motion agreed to, subject to usual reservations.

GOVERNMENT DOCK, HAILEYBURY, ONT.

Motion No. 103—**Mr. Peters:**

That an order of the house do issue for a copy of all correspondence, telegrams and other documents exchanged between the government or any agency or branch thereof and any person, group or organization relating to the government docks at Haileybury, Ontario.

Motion agreed to.

FEDERAL ASSISTANCE FOR INDIANS AND ESKIMOS IN LABRADOR

Motion No. 106—**Mr. Granger:**

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 exchanged between June 21, 1957, and April 22, 1963, between any member of the government of Newfoundland and the Minister of Northern Affairs and National Resources regarding additional federal assistance for Indians and Eskimos in Labrador.

Motion agreed to, subject to usual reservations.

CORRESPONDENCE BETWEEN LUC-GILBERT LESSARD AND SOLICITOR GENERAL

Motion No. 36—**Mr. Langlois:**

That an order of the house do issue for a copy of all correspondence, letters, telegrams or other documents exchanged between maitre Luc-Gilbert Lessard, of Black Lake, Megantic county, and the Solicitor General, since March 1, 1963.

Motion agreed to.

CORRESPONDENCE BETWEEN LUC-GILBERT LESSARD AND FISHERIES DEPARTMENT

Motion No. 46—**Mr. Langlois:**

That an order of the house do issue for a copy of all correspondence, letters, telegrams or other documents exchanged between maitre Luc-Gilbert Lessard of Black Lake, Megantic county, and the Minister of Fisheries or the deputy minister or any officials of his department, since March 1, 1963.

Motion agreed to.

ANNUAL LEAVE, PUBLIC SERVICE EMPLOYEES, TERRACE, B.C.

Motion No. 57—**Mr. Howard:**

That an order of the house do issue for a copy of all regulations, or letters or communications relating to, or directed to, employees in the public service of Canada who are employed at Terrace, B.C. and relating to the question of seniority being or no longer being the determining factor in the scheduling of annual leave.

Mr. Pickersgill: I wonder if I could say a word about this motion. So far as we can discover the only department to which this motion would relate is the Department of Transport. While there is some doubt whether the house would really wish to make an order to have the documents produced in this particular instance, there is no question about the government's willingness to do it voluntarily. I believe the hon. member would be willing to drop the motion if I tabled the document on my responsibility as minister.

Mr. Howard: Yes, it is arguable as to whether any particular document should or

should not be produced upon an order of the house. However, in the light of the amicability of the genial minister I will gladly agree with him.

Mr. Pickersgill: I table it herewith.

Order discharged and motion dropped.

SALES TAX ON RETREAD TIRES

Motion No. 97—**Mr. Dinsdale:**

That an order of the house do issue for a copy of all correspondence, telegrams, and other documents received by the government of Canada with respect to the implementation of the 11 per cent sales tax on retread tires.

Mr. Benson: This motion is acceptable provided that where such correspondence contains business information of a confidential nature, only the name of the writer and not the document itself will be made available. I believe the hon. member has agreed to this.

Mr. Dinsdale: Agreed.

Mr. Speaker: Subject to the reservation, is it the pleasure of the house to adopt the motion?

Motion agreed to.

EXTERNAL AFFAIRS

CYPRUS—INTERFERENCE WITH CANADIAN MEMBERS OF PEACE KEEPING FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Has the Prime Minister received any word regarding the request he made for information touching on the interference with or acts of violence against the Canadian representatives in the United Nations force on Cyprus?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I understand no report has been received yet. I hope one will be in during the day.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Prime Minister. Does the government intend to ask the secretary general of the United Nations to demand from Archbishop Makarios that the United Nations troops in Cyprus be allowed to seize arms belonging to Cypriot civilians?

[*Text*]

Mr. Pearson: The government, is, of course, in continuous touch with the secretary general of the United Nations and makes its requests to the government of Cyprus in respect of matters of this kind through the secretary general.

Inquiries of the Ministry

SOUTH AFRICA—REPORTED STATEMENT BY MR. WESTON RESPECTING APARTHEID

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to put a question to the Prime Minister. In view of the statement by Mr. W. Garfield Weston of George Weston and Company Limited of Toronto in defence of apartheid in South Africa and in view of this country's attitude toward that policy, will the government consider the question of government purchases from that company?

Mr. Diefenbaker: Mr. Speaker, isn't that just the sort of question that the hon. gentleman usually complains of when others ask them?

Mr. Speaker: This question should be placed on the order paper.

LEGISLATION RESPECTING 12 MILE FISHING LIMIT

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I wish to direct a question to the Minister of Fisheries. It is a question of some urgency to those engaged in the fishing industry on the east coast. Does the minister intend to introduce legislation within a week to impose a 12 mile fishing limit off the coast of Canada? If so, would he indicate whether ships belonging to countries which traditionally fished waters close to Canada would be allowed to operate between the three mile and nine mile boundaries?

Mr. Speaker: May I suggest that this is a question for the order paper.

Mr. Crouse: May I say, supplementary to the question I addressed to the Minister of Fisheries, that I understand this announcement is to be made by May 1. That is the reason I raised the matter on the orders of the day.

Mr. Speaker: I quite understand the importance of the question and the desire to have an early answer, but it seems to me that there is still ample time in which to get a detailed reply to an important question of this sort. Of course the hon. member has two alternatives; he can place the question on the order paper or raise it by way of the adjournment debate.

HOUSE OF COMMONS

REFERENCE TO STATEMENT BY MEMBER FOR YORK-HUMBER

On the orders of the day:

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I should like to direct to the right hon. Prime Minister a very important ques-

tion concerning a statement made by the hon. member for York-Humber (Mr. Cowan) to a reporter of *Maclean's* magazine. The hon. member was asked why parliament was quiet at times and he answered as follows:

[*Text*]

"I'll tell you why it's quiet. It's quiet because Pearson's giving the Frenchmen every blank-blank thing they want." His voice was rising. "They go home at night and dream it up." And still rising. "They ask for it in the morning and, in the afternoon, Pearson gives it to them."

[*Translation*]

Could the Prime Minister tell us whether he approves that statement made by the hon. member for York-Humber?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): If you consider that question to be in order under the rules, Mr. Speaker, I will be glad to answer it.

Mr. Speaker: I suggest that this is the type of question which should not be asked on orders of the day. If it is in order at all it should be placed on the order paper.

LABOUR CONDITIONS

REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to put a question to the Minister of Labour. In view of the fact that in his last budget the Minister of Finance seemed to consider regional unemployment as Canada's most pressing problem, could the Minister of Labour tell us whether he intends to extend the winter works program after April 30, so that it would cover the whole month of May, in designated areas, especially where regional unemployment is perhaps at its highest level?

[*Text*]

Mr. Speaker: It appears to me that this is not the type of question which should be asked at this time. May I suggest that it be placed on the order paper.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to put a question to the Minister of Labour. Has he received a formal request from the province of Quebec concerning the extension of the winter works period?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have received a communication from the minister of municipal affairs of Quebec which is marked personal and confidential, and I would hesitate to give the details of this letter until I have cleared the matter with the gentleman in question.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): I wish to ask a supplementary question, Mr. Speaker. Does the Minister of Labour intend to make today the statement he promised yesterday respecting the extension of the winter works period in designated areas?

[*Text*]

Mr. MacEachen: Mr. Speaker, the government has considered very carefully the proposal put forward by the hon. member for Lapointe, with respect to the extension of the municipal winter works program in designated areas and areas of high winter unemployment, and after considering the circumstances it has been decided not to extend any part of the program beyond April 30.

POINT EDWARD NAVAL BASE—ALTERNATIVE EMPLOYMENT FOR WORKERS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the right hon. Prime Minister. Now that within the last day or so 37 employees of the Point Edward naval base have received their dismissal notice, the first of some 350 who will be discharged, would the Prime Minister advise what measures are being taken to provide employment for these workers who will be thrown out of work as a result of this government's action?

Right Hon. L. B. Pearson (Prime Minister): I will be very glad to look into the matter, Mr. Speaker.

PENSIONS

CANADA PLAN—RELEASE OF INFORMATION TO PRESS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister a question in relation to the release of information to the press in connection with the new pension arrangements last Thursday and Friday. I want to ask the Prime Minister if the way in which the information was released on that occasion is likely to become a precedent in making government policy known through one of his private advisers.

Right Hon. L. B. Pearson (Prime Minister): I cannot accept the hon. gentleman's assumptions. Not being able to accept them, I cannot answer his question.

Mr. Fisher: I wonder if the Prime Minister has seen the allegation by Mr. Pierre O'Neil to the effect that only certain newspapermen were privy to this information, and that they were called directly by Mr. Kent.

Mr. Pearson: No, I have not seen that report.

Mr. Eric A. Winkler (Grey-Bruce): Would the Prime Minister inform us to which minister we should direct our questions with regard to the Canada pension plan?

Mr. Pearson: Hon. members will be glad to know that the Minister of National Health and Welfare is back in the house. I hope she is feeling better, and I am sure she will be quite capable of taking care of any questions which the hon. member may wish to ask.

[*Later:*]

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Minister of National Health and Welfare, whom I am glad to see back in the house. Would the minister consider a request to supply at an early date a revised white paper on the Canada pension plan, to help promote a fuller understanding of the changes which are proposed?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): I will be glad to, Mr. Speaker.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Can she assure the house that the new national pension plan will be brought forward at this session?

[*Text*]

Mr. Speaker: I think the purport of this question is too large for the minister to answer without very careful consideration, and would fall under the category "Questions should not be of a nature requiring a lengthy and detailed answer; and should not raise a matter of policy too large to be dealt with as an answer to a question".

[*Translation*]

Mr. Pigeon: Mr. Speaker, I wish to give you notice that I intend to raise this subject on adjournment of the house tomorrow night at ten o'clock.

[*Text*]

PUBLICATIONS

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): I have a question for the Prime Minister. Is it the intention of the government to delay or indefinitely shelve the proposed legislation on magazine publications?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Forty days ago today I placed a question on the order paper addressed to the Minister of Justice. It is No. 417. I wonder when I can expect an answer.

An hon. Member: Twenty more days of action.

Hon. Guy Favreau (Minister of Justice): My memory may be short. Could the hon. member refer to the subject matter?

Mr. Fairweather: I do not want any implications to be drawn, but I asked what was the total by provinces as of March 13 of inmates of the prison for women at Kingston.

Mr. Favreau: I must admit to a certain amount of delinquency as far as answering questions is concerned and I am glad to advise the house through you, Mr. Speaker, that I am in the process of initialling and authorizing a group of answers to questions.

[*Later:*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I so agree with you when you say that questions should go on the order paper. However, when one looks over the order paper and finds—

Mr. Knowles: Order.

Mr. Diefenbaker: —that there are—

Some hon. Members: Order.

Mr. MacEwan: This is a question of privilege.

Mr. Speaker: Order. I take it that the right hon. Leader of the Opposition is about to ask a question?

Mr. Diefenbaker: Yes, Mr. Speaker. I know that the hon. gentleman from Winnipeg North Centre is always pretty fast on the draw, but of course there must be a preliminary to a question. I therefore direct the question to the Secretary of State. What about the answers to these questions? In regard to questions placed on the order paper there has been a scandalous delay in replying. What is going to be done about bringing down the returns and bringing in the answers to questions going back as far

as February 18, questions that should have been answered a long while ago?

Mr. Grafftey: They have been too busy making speeches.

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I think the right hon. Leader of the Opposition should compare our record with that of his government.

Some hon. Members: Oh, oh.

Mr. Pigeon: Same old bunch.

Mr. Diefenbaker: I realize the centralizing capacity of the hon. gentleman, but I ask him, when are we going to get answers to these questions that are placed on the order paper?

Mr. Lamontagne: As soon as possible, Mr. Speaker.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker—

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, might I try to satisfy the curiosity of the right hon. gentleman—

Some hon. Members: Order.

Mr. Pearson: —by a supplementary answer, and tell him that 600 questions have been answered so far this session, which is more answers than were given in a whole session of parliament under his leadership.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, I realize the Prime Minister recognized that the Secretary of State needed help. I ask him now, will he get answers to these questions, answers that are obviously being held back because the government would be embarrassed by some of them?

Mr. Pearson: Yes, Mr. Speaker, we will do our best to avoid the very bad example set for us by my right hon. friend, and answer the questions as quickly as possible though we realize that more questions are already on the order paper than were on the order paper in whole sessions of previous parliaments.

Mr. Starr: Answer the question like a prime minister should.

[*Translation*]

Mr. Gregoire: Mr. Speaker, to begin with, I should like you to know that I made it a point to rise from my seat right after the question period, that is to say, when you called for the orders of the day and the clerk assistant started calling them. Therefore, when I stood up, standing order 39A no longer applied.

[Mr. Diefenbaker.]

That is why, on the strength of standing order 17 respecting questions of privilege and, now that we are through with orders of the day, I rise on a question of privilege.

When the new procedure was established the members adopted certain rules in respect of the question period.

I think it would now be appropriate for the Speaker of the house to tell us exactly what he considers to be an urgent and an important question. Will the same rule apply all the time?

I asked today the very same question I asked yesterday. Yesterday the question was ruled to be in order and the minister replied that he would supply me with a precise answer today. I ask the same question today and it is ruled out of order.

From day to day, is there one law for one's friends and another for one's foes? Because the Minister of Labour (Mr. MacEachen), as reported in the first column on page 2394 of *Hansard*, made the following promise:

> Mr. Speaker, I hope to give a definite answer to that question tomorrow.

The minister was unable to give an answer today.

Second, if standing orders must apply to members on this side of the house they should apply likewise to those on the other side of the house.

I think that the remarks made by the Prime Minister after the question period were as much out of order as the questions asked on this side of the house, and yet he was not called to order as the others were.

I immediately resumed my seat, and that is why I feel bound now to raise this matter.

[*Text*]

Mr. Speaker: It seems to me that the hon. member for Lapointe is under a misapprehension. The question period is not over and under the new rules it does not end, unless there are no more questions, until 3.31; so the hon. member has ample opportunity to ask any question he desires which is in order.

TRANSLATION OF PROCEEDINGS OF AGRICULTURE COMMITTEE

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to direct a question to the Secretary of State.

As the last sitting of the standing committee on agriculture took place on December 21, 1963, the English report was published a few days after and we did not receive the French report until four months later, could the

Secretary of State see to it that the French reports of these special committees are published sooner in the future?

Hon. Maurice Lamontagne (Secretary of State): I will see to it, Mr. Speaker.

[*Text*]

CONSUMER CREDIT

INQUIRY AS TO SETTING UP OF JOINT COMMITTEE

On the orders of the day:

Mr. Reid Scott (Danforth): I have a question to ask the leader of the house. In view of the importance of the subject of consumer credit, and in view of the fact that we have now been meeting for about six weeks without the joint committee being convened, can the hon. gentleman tell us when the government intends to convene the joint committee of the Commons and the Senate on consumer credit so we can get on with our work in connection with this important subject?

Hon. Guy Favreau (Minister of Justice): This is, as the hon. member says, a joint committee, and I understand that the Senate has yet to complete its own part of the staffing of the committee.

Mr. Scott: Would it be proper to ask these busy gentlemen if they can supply the names so we could get on with this work?

CANADIAN NATIONAL RAILWAYS

MARITIMES—REQUEST FOR DELAY IN REVISION OF MAINTENANCE OPERATIONS

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): I wish to address a question to the Minister of Transport. Will the minister request the management of the C.N.R. to delay their announced plans to revise maintenance operations on that railway at least until the railway committee has a chance to study this matter, or until the estimates come before this house?

Hon. J. W. Pickersgill (Minister of Transport): I will bring the hon. member's question to the attention of the management of the C.N.R.

ROYAL CANADIAN AIR FORCE

NOTIFICATION TO OFFICERS TO BE RETIRED

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the Associate Minister of National Defence in the absence of the Minister of National Defence. It relates to a question I asked a few days ago about the intended lay-off of some 500 air force personnel. Can the minister inform the house whether the officers concerned have been advised about these lay-offs and about the pension benefits which the government is planning?

Mr. Speaker: If I am not mistaken this question was asked last week. In any event, this is the type of question which requires a very careful reply. May I suggest that the hon. member put it on the order paper.

Mr. Nielsen: If I might take a moment to explain why the question of urgency arises—

Some hon. Members: Order.

Mr. Speaker: I am sorry to use the hon. member as an example, but perhaps he is a good choice at the moment. He has, of course, the advantage of being able to give notice that he intends to raise the matter on the adjournment debate.

[*Later:*]

Mr. Nielsen: A question, sir, for the Associate Minister of National Defence. When does the government intend to end the anxiety of defence force personnel by announcing the names of the officers concerned in the lay-offs?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, the Minister of National Defence answered that question just a few days ago.

Mr. Nielsen: A supplementary question to the associate minister. Since the Minister of National Defence said that he did not know whether the officers concerned had been notified, I wonder if the minister would inform the house whether any action has been taken.

Mr. Cardin: Yes, Mr. Speaker, it is my understanding that the officers have been notified.

FISHERIES

REGULATIONS RESPECTING KILLING OF SEALS

On the orders of the day:

Hon. Michael Starr (Ontario): Would I be in order if I asked the Minister of Fisheries whether he has taken any immediate action to stop the inhumane slaughter of baby seals?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, this question has been brought to the attention of the house on many occasions. As I have said before in the house, action is being taken to prepare legislation which will, I hope, be satisfactory in this regard.

Mr. Diefenbaker: Next year. It will be a lot of good next year.

Mr. Speaker: The hon. member for Labelle.

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, I wanted to direct a question to the Prime Minister but it has already been asked by the hon. member for Port Arthur (Mr. Fisher). At any rate, I am sure I would no more get a reply than he did.

[*Text*]

TRADE

NON-PARTICIPATION BY CANADA IN JAPANESE INTERNATIONAL FAIR

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, on Friday last I asked the Minister of Trade and Commerce a question relating to the international trade fair in Japan. I wonder whether he can now tell the house why Canada is not participating in this fair.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker—

Mr. Speaker: Order. I am sorry to interrupt the minister, but this question should really be put on the order paper.

CUBA—INQUIRY AS TO MODIFICATION OF CANADIAN POLICY

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce. In view of the disapproval expressed by the attorney general of the United States with respect to Canadian trade with Cuba, could the minister tell the house whether that Canadian policy will be changed?

[*Text*]

Mr. Speaker: May I suggest that the hon. member put this question on the order paper.

NATIONAL DEFENCE

REGINA—CLOSING OF R.C.E.M.E. WORKSHOP

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence and ask him when the employees of the R.C.E.M.E. workshop in Regina will be advised that the government intends to close this workshop on July 1. As of yesterday the employees knew nothing about it.

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker—

Mr. Speaker: Order, please. Would the hon. member put this question on the order paper.

WORLD FAIR

COMPLETION OF ORGANIZATION OF STAFF

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Secretary of State. In view of reports which indicate that there are some 290 employees of the Montreal world fair organization receiving over $10,000 per year, does the Secretary of State feel that the organization is now adequately staffed?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, the World Fair Corporation is one of the responsibilities of my colleague the Minister of Trade and Commerce.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, the answer to this question is no. Staff is still being gathered together and the establishment will be larger than its present level.

POWER

PEACE RIVER—APPLICATION FOR CONSTRUCTION OF DAM

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is addressed to the Minister of Public Works. I should like to ask whether he is now in a position to answer the repeated questions I have posed to him and to the Minister of Justice with regard to the government's intentions about calling on the province of British Columbia to abide by the law, as set out in the Navigable Waters Protection Act, in connection with the Peace river.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, may I say to the hon. member that I expect to be in a position to answer his question on Monday.

LABOUR RELATIONS

GREAT LAKES—RECOMMENDATION BY COUNSEL RESPECTING PROSECUTION OF MCLAUGHLIN

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to put a question to the Minister of Justice. In the report prepared by counsel with regard to the investigation of certain officers of the S.I.U., was there a recommendation made with regard to McLaughlin, who is about to ascend to the presidency of the S.I.U., that he too be prosecuted as was Mr. Banks?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the report obviously speaks for itself.

Mr. Woolliams: A supplementary question. Has the report the minister refers to been tabled in the House of Commons; and when he says it speaks for itself, is he speaking about a report which has been tabled in this house?

Mr. Favreau: I am sorry, Mr. Speaker, I misunderstood the hon. member. If he was referring to the report of counsel I will make a second check into this and then decide whether I should suggest to Your Honour that his question is or is not in order.

Some hon. Members: Oh, oh.

Mr. Woolliams: A further supplementary question. I regret, Mr. Speaker, that I did not hear the answer of the Minister of Justice because he seemed to stutter and stammer in his answer and I felt he was not quite sure of himself.

Mr. Favreau: Without stammering or stuttering, Mr. Speaker, let me say I shall first decide whether the question is in order for me to answer it, and if it is in order I will look into the report.

NORTHERN AFFAIRS

ADMINISTRATION OF ESKIMO AFFAIRS, QUEBEC—CONSULTATIVE COMMISSION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, in view of the sceret meetings which seem to be the policy between the federal government and the government of Quebec, I wonder whether the Minister of Justice could inform the house if the commission has yet been set up by the federal and Quebec governments with respect to the handing over of the Quebec Eskimo people.

Mr. Speaker: May I suggest, first of all, that the preamble to that question was obviously out of order, as the hon. member must know. The importance of the question remains, but to get a detailed answer the hon. member should put it on the order paper.

Mr. Nielsen: It requires a yes or no answer. May I rephrase the question. Has the commission to be formed by the federal and Quebec governments relating to the handover of the Eskimos in Quebec yet been set up?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, there has never been any commission provided for to hand over the Eskimos of Quebec.

REDISTRIBUTION

PROVISION FOR BOUNDARIES COMMISSIONS AND READJUSTMENT OF REPRESENTATION

The house resumed, from Friday, April 17, consideration in committee of Bill No. C-72, to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith—Mr. Pickersgill (for Mr. Pearson)—Mr. Lamoureux in the chair.

On clause 6—*Appointment of chairman, etc.*

The Chairman: Order, please. When the committee rose on April 17 last it was considering clause 6 of the bill, with an amendment thereto by the hon. member for Winnipeg North Centre, and an amendment in amendment thereto by the Minister of Justice. The question is on the amendment to the amendment.

Mr. Lambert: Mr. Chairman, in order to improve the decorum of the house I would appreciate it if hon. members who have stood during the time you were on your feet would take cognizance of the rules in this regard, and I suggest that when the committee is called to order, it should come to order.

Some hon. Members: Hear, hear.

Mr. Lambert: Mr. Chairman, the other day I had the occasion to make some remarks on the amendment proposed by the hon. member for Winnipeg North Centre. Since that time I have had a further opportunity of considering the amendment, and more questions of doubt have come to my mind which make the proposed amendment that much more dubious.

First of all, I want to reiterate the point that has been made previously, that this amendment, in derogating from the formula proposed by the government in the bill, is a derogation from parliament in that it places in a secondary or inferior position—

The Chairman: Order. May we please have some order in the committee. It is very difficult for the hon. member who has the floor to make himself heard when we have conversations going on, on both sides of the house.

Mr. Lambert: Thank you, Mr. Chairman. This places the office of prime minister—I am not talking about the personalities—the office of the prime minister and the office of the leader of the opposition in a somewhat inferior position to what has traditionally been recognized, which offices I submit should be

incontestable and invariable. It seems to me that the amendment gives a greater recognition to other groups within the house.

We are doing a disservice to parliament and to our parliamentary system by downgrading the offices of prime minister and leader of the opposition. I find this thoroughly repugnant and, if only for that reason alone, I would be against the amendment. But, going further than that, it would be interesting if the committee could have confirmation of some of the rumours I have heard, that the representation commissioner already has a somewhat extensive staff at work drawing up the new boundaries.

Mr. Pickersgill: Could I interrupt the hon. gentleman on that very point and draw his attention to clause 6 of the act that was passed in the last session of parliament which, as the hon. gentleman will recall, not only authorized but directed the commissioner to engage the staff and to carry on this preparatory work. I understand the commissioner has been doing precisely what parliament authorized.

Mr. Lambert: On a point of order, Mr. Chairman, the ubiquitous Minister of Transport has misconstrued the remarks I made. I said there were rumours that this was happening, but I am not suggesting it was illegal or in contravention of the act.

Mr. Pickersgill: Neither did I.

Mr. Lambert: All right. I am making a point, and if the representation commissioner has been at work as authorized and directed by parliament, then that is fine. I am not questioning that. What I am saying is that there are rumours or reports that the maps have already been prepared, and what I am questioning is, by whom? Who are the people doing this and what are their qualifications for the preparation of these maps?

If this be the case, under these circumstances whether it be the commission set up under the proposed amendment or even under the act, are we not authorizing some sort of a blank cheque and suggesting that these provincial commissions shall be rubber stamps? If the thing is going to be all cut and dried for them beforehand, then why set them up? At least, why set them up with this sort of aura of independence, or independence from any political implication. Why suggest there is anything wrong with political connections in regard to bodies set up by parliament? After all, everything we do is political. The administration of this country is political. This is the science of government and the active carrying out of it. So, why is there all this sanctimonious clap-trap we sometimes read in comments about this house, that the people here are somehow second rate persons because they are politicians?

Who on earth can set himself up at that level to downgrade persons who take an interest in public affairs in this house, in provincial legislatures and in municipal government? If the people making these comments had the courage of their convictions, why don't they get out into this business of politics and find out for themselves? I apologize, Mr. Chairman, for these perhaps intemperate remarks, but I think we have had enough of such comments.

It is true enough that this body must be subject to criticism, but let us not have it from high and mighty towers. The people who have served this country in public life in the past, who are serving it in the present and who will serve it in the future, without assuming any mantle or halo of self-justification, have been, are, and will be discharging their duties as citizens.

Some hon. Members: Hear, hear.

Mr. Lambert: Unless anyone can point the finger and come up with proof of venality with regard to participation in public life, then I would say to him, in the very crude phrase, "either put up or shut up."

Now, having said that, I have asked the question, who is preparing these maps, what are their qualifications, and is there any means of examining them before we give this blank cheque? After all, the purport of the amendment is to remove this entirely from parliament and, if we look at the bill, there is but a tenuous connection with parliament thereafter.

There is no obligation for public hearings. Clause 17 is only permissive and, if I may be permitted to make a little further reference to clause 17, by the provisions of subsections 2 and 4 of that clause only five days are allowed for a person or body to make up their mind to study the report of the commission and to file their objections, provided the commission has deemed that it shall hold public hearings.

I shall have a lot more to say about clause 17, which provides that notice be published in the Canada Gazette 15 days prior to the hearings, with the further requirement that the secretary of the commission shall have ten days' notice before the hearings. The gist and purport of this is that there will only be five days for anyone in any province to make representations against the decisions of a commission. In effect this is almost tantamount to a denial of review.

Mr. Pickersgill: May I ask the hon. gentleman a question. He started out by referring

to rumours. Has he by any chance heard a rumour that I was going to propose an amendment to this very clause?

Mr. Lambert: Well, I am glad to see that the minister is giving us a tip, but I do not know whether it is a Pandora's box from which he has tried to lift just a corner of the lid, or whether it has been like holding out a paper bag to children and saying maybe there is some candy in it. I have not heard the rumour, but we have now got it from the horse's mouth.

Mr. Gregoire: On a point of order, Mr. Chairman, I would like to point out to the hon. member that I raised that point, on clause 1 of the bill, regarding the five days allotted for those who would like to make recommendations, and at that time the Minister of Transport gave us the tip that he would move an amendment later.

Mr. Lambert: I am glad the hon. member has made a speech because it gives me 30 minutes from now in which to speak, but I fail to see how this is a point of order.

Mr. Knowles: Mr. Chairman, on the point of order, I should like to support the right of the hon. member for Edmonton West to speak for 30 minutes from now, provided he is on clause 6.

Mr. Lambert: I am coming to clause 6. I have indicated the difficulties involved in the hearings and I beg the indulgence of the house in order to do so. If these maps and so forth are ready, let us know what they are at this time. What are the objections if the work is already done? It would give an indication to hon. members how the composition of the house may be affected, and members are no less entitled than anyone else to this information since it affects their rights as citizens and as well as members of the house who may be adversely affected within their constituencies. Is there not a danger under the present set-up of the commission actually being almost in the nature of a rubber stamp?

Mr. Woolliams: That is right.

Mr. Lambert: I raise this as a danger signal. In what I am saying I do not wish for one moment to reflect upon the person or qualifications of the gentleman who is occupying the position of representation commissioner, but having appointed him to be representation commissioner we have not granted him immortality and he may be followed by persons in whose objectivity members may not have so much confidence. What I am concerned about is the framework that has been set up.

Mr. Pickersgill: Mr. Chairman, I wonder whether I could raise a point of order? I would not raise it perhaps against any other member of the house, but the hon. member for Edmonton West is a former Speaker of the house and as a former Speaker perhaps he should set the rest of us an example in obeying the rules. At the last session of parliament we did establish a position. It was established by parliament and certain duties were laid down in clause 8 of the statute. I made a mistake in the clause before because I had picked up the act quickly. But it does seem to me, Mr. Chairman, that when parliament has laid down the conditions under which the job is to be done it is surely a reflection upon parliament itself to suggest that the person doing the job is doing something that is in some way improper. I do not believe the hon. member for Edmonton West recollects what clause 8 of the act contains, and I wonder whether I might permitted to read it so that we will be talking—

Mr. Lambert: Mr. Chairman, what is the point of order? Otherwise the minister is out of order in standing up.

Mr. Pickersgill: My point of order, very briefly, is that we are dealing with clause 6 of the present bill, and instead of dealing with clause 6 of the bill the hon. gentleman is debating a matter which relates to an act of parliament already passed. I suggest that in doing so he is going beyond the scope of clause 6 and is giving the impression that something which parliament ordered an officer of parliament to do he should not be doing.

Mr. Woolliams: Mr. Chairman, I should like to speak to the point of order. It seems to me that what the minister is really saying is that we have got to confine our arguments solely to clause 6. I do not see how we can confine our arguments strictly to the wording of clause 6 because clause 6 cannot be read separately and apart without considering many other sections of the bill and the other act involved. I would say that the member who has the floor has been absolutely in order and the debate should continue.

Mr. Lambert: Mr. Chairman, with regard to the argument raised on the point of order, if the Minister of Transport would tame his impatience he would see that within the framework of the amendment there is a reference to the representation commissioner and I am reviewing the position of the representation commissioner under the act appointing him. Nowhere can the minister detect any objection on my part to the representation commissioner and the work he

has done so far. What I am concerned about is the amendment.

I am advancing my argument somewhat, but if you look at paragraph (b) of subclause (b) of the amendment you will see that the chief justice of the province is directed to appoint certain persons in the alternative after consultation with the representation commissioner. So far as the designated persons are concerned the chief justice has authority to act without reference to the representation commissioner, but when he has to go beyond that category he must refer to the representation commissioner. I suggest to hon. members that that provision is repugnant. I do not see why there should be this provision for reference to the representation commissioner.

It seems to me we are blithely building up a framework in which there is not that check and counterbalance that there should be. Frankly, we are setting up almost an autocratic organization under the representation commissioner. First of all, we have the act setting up the office and directing the representation commissioner to do certain work. He goes ahead with his staff to do that work. We do not know the qualifications of the members of his staff, whether they are geographers or political scientists or what. Who are they? We would like to know that.

This framework is set up and then the chief justice of the province is to appoint the commissioners for the province from among certain individuals. But in default of a province agreeing that certain employees of the province shall act on the federal commission the chief justice is directed to appoint alternates after consultation with the representation commissioner. I do not believe that such a requirement is satisfactory. If the chief justice is a satisfactory person to make these appointments otherwise, then why should there be provision for the consent or approval of the representation commissioner with regard to nominations to the commission in certain circumstances?

Mr. Woolliams: That allows the minister to get his hand in.

Mr. Lambert: After all, this means that the representation commissioner has the right to say who shall sit on a commission with him, because actually he is a member of every provincial commission. I do not believe that framework is right in this regard. After all, the chief justice is not authorized to name himself on the commission. The provision indicates that he shall name someone from among the judges under his jurisdiction. I find it rather difficult to understand otherwise under this type of legislation whereby the chief justice does say: I name you.

[Mr. Lambert.]

Mr. Woolliams: Yes, I do too.

Mr. Lambert: This, under the ordinary interpretation of language would be a direction to pick from amongst the members of his court or, under the subamendment, from any of the superior courts. If the hon. member for Winnipeg North Centre would distinctly understand the composition of our superior courts, he would know that there is a trial division and an appellate division. The trial division has a chief justice and as a result the chief justice of the province has a limited jurisdiction over all judges. Is he able to say, also, that he will name himself? I do not think so. He is therefore going to name another justice who is a member of a court under his jurisdiction.

So, we have this disqualification of the chief justice and the provision saying that he cannot name outright all the commissioners. I believe this would be right because otherwise we would be telling the chief justice: "You name the people that you want", and if you do that you set up in fact, if not in theory, a one-man representation commission. This could be a possibility; but the act, as I say, does provide against that.

Now, on the other hand, if a province denies the right of its public officials to membership on the representation commission, the chief justice must then come back to the representation commissioner, who is a member of the commission under this act, for the approval of the appointment of another member to the commission. I do not believe that is logical.

I come to my third point. In view of the work that has been done by the representation commissioner and his staff, under the act authorizing them to do it, and the plans that are prepared for submission to the representation commissioner, I would put it to hon. members that the tolerance formula may become quite academic. I do say that I would much rather see some more independent persons named by the Prime Minister and the Leader of the Opposition, who may work as a check and countercheck. Somebody has said we are trying to divorce this from politics. I do not believe there is a man in public life who is entirely divorced from politics, even with all the intentions to be so. I would say that, in my opinion, there is an important factor in the check and countercheck, and that greater justice will not only be done but will appear to be done under the formula provided for in the bill.

The government did not come to this conclusion hastily. I am sure that the then secretary of state was not flying trial balloons to sound out the opinion of the house and of

the public when he advanced such suggestions. He must have received a pretty good echo of the provision which he recommended to his cabinet colleagues. Knowing the Minister of Transport, I know the care he would take in advising his colleagues on this particular key provision of the bill. His cabinet colleagues have accepted this, and they must be fixed with the responsibility therefor. It was not something that had been suggested very lightly. It was not a suggestion that was made within the famous 60 days of decision. This has been very carefully considered legislation, with the exception of what I will have to say later on about clause 17. There is always the possibility that it only takes one word to change and greatly improve legislation.

I say this is not the way, by making this complete change, to get away from partisan political action. I would say that the danger of having a more partisan commission might arise under the formula devised by the hon. member for Winnipeg North Centre. I say that when we get into the academic staffs of the universities, there are some gentlemen there who will fight to the death for the right to assert their partisan political views. They do so on every occasion. We see them day after day on television and radio. Some of them also have taken charge of the political activities in certain of these provinces. I know this is so in the province of Saskatchewan, and their federal campaign was pretty well in the hands of academics.

Mr. Woolliams: Was that the reason the results were so good?

Mr. Lambert: The fact that they are at the academic level does not detract from their political activity, and I would not want it to. Let us not say we are making these political academics into political eunuchs by any means.

Mr. Pickersgill: I wonder if the hon. gentleman would allow me to ask him a question? Does he think the people who might be recommended by my right hon. friend the Prime Minister or by his right hon. friend the Leader of the Opposition would be political eunuchs?

Mr. Lambert: No, because I do not think there are such people. I said it was not the extension of this aura of political purity that is improper. This amendment that we are considering is not going to create political eunuchs; I do not think you can find one. There is no such political purity. There is no advantage gained by the acceptance of such an amendment. There is a far better chance of justice under the original provision. These are the further criticisms that I have. This is what concerned me. There would be this particular body erected under a framework which could result in a rubber stamp set-up because of the illogical structure. After all, the commission could dispense with a hearing. I think this is one danger and I am hoping the Minister of Transport may bring forward a viable amendment to clause 17 which would perhaps remove this disability. In any event, I think the original proposal in the bill is a far better formula than that proposed in the amendment.

Mr. Pickersgill: I must say that with many of the things said by the hon. member for Edmonton West I cannot disagree very much. As to the idea that we must try to get political eunuchs, whatever they are—I suppose, in a sense, since the hon. gentleman imported that term, judges are, because they are not allowed to vote. But I think there is a great deal of difference between politics, as the hon. gentleman used the word in the beginning of his statement, and politics in a more partisan sense. After all, the reason we want to have a commission to carry out redistribution is not to get it away from politics, in the broad sense of that word, but to get it away from party politics. If we think this job could be better done by politicians, we should scrap this legislation entirely and do it in the old-fashioned way, the way that Sir John Macdonald, that great purist, used in the past.

An hon. Member: And Mackenzie King.

Mr. Pickersgill: But I do not think anybody in the committee has seriously suggested we should do that. We feel we have made a lot of progress in this matter. It seems to me there is a very narrow point of difference in the committee at this time. I, myself, am in a difficult position because, since I indicated that I have a slight preference—and it is not very great, as I said on Friday—for the amendment, I am expected to try to find some fault with my own drafting. This puts me in a very awkward and embarrassing position, particularly when the hon. gentleman is so complimentary to me as he was this afternoon when he said that after great thought and after an exercise of great wisdom I had produced something upon which no one could improve—that clause 6, as it now stands was, indeed, all but divinely inspired. Yet it was just the best thing, up to that time, that I had been able to recommend, and that is why I recommended it.

Some hon. Members: It still is.

Mr. Pickersgill: Hon. gentlemen opposite say: "It still is" and I thank them for the compliment. But I was not quite so proud of my handiwork at the time when I produced

the bill originally, and with regard to this very clause, when exception was taken on second reading I said, as I have said at every stage, that if anyone could suggest an improvement, and if I thought it was an improvement, I would vote for it. That goes for every clause in this bill. Indeed, there are at least three other clauses including clause 17, to which I myself wish to propose amendments; I hope other hon. members may also have suggestions for improvements and I can assure them that in such a case they will not face any stonewalling on this side of the house. But I do not think this particular clause is perfect, by any means. It was just the best one I could figure out. I notice that the hon. member for Edmonton West said that while clause 6 was perfect some of the other clauses were open to question. Apparently, if he agrees with a clause it is wise, and if he does not agree with it it is not so wise.

In order to remove any doubt, in the light of what has been said in this discussion, I think I should be permitted to read section 8 of the act respecting the office of representation commissioner which lays down clearly what the representation commissioner was instructed by this parliament to do. I think we ought to have this clearly in our minds. It reads as follows:

As soon as possible after the completion of any decennial census—

That, of course, really applies to the future.

—or in the case of the census taken in 1961 as soon as possible after the coming into force of this act, the commissioner shall prepare maps showing the distribution of population in each province and setting out alternative proposals—

And I stress that word "alternative"—

—respecting the boundaries of electoral districts in each province and shall thereupon supply such maps to the appropriate electoral boundaries commission.

I understand that as far as it is possible for the representation commissioner to carry out that instruction—and it is not entirely possible, for the good reason that until parliament decides what the tolerance will be, any maps which may be drawn can only be drawn up very tentatively—

Mr. Woolliams: Would the hon. gentleman permit me to ask him a question? He appears to lay a good deal of stress on this matter of the tolerance. Does he not agree that though the figure in the bill may be 20 per cent the actual tolerance might be as low as 1 per cent or as high as 19 per cent, and that this tolerance provision is not as effective in protecting rural constituencies as the hon. gentleman would lead the committee to believe. It is an academic thing and it does not mean anything when you get down to it.

Mr. Pickersgill: I do not think I agree with that. If I did agree with it I would wonder why the hon. gentleman and his friends have spent such a long time talking about it. It seems to me that the tolerance ought to be high enough—and in my opinion it ought to be higher at this time than may eventually be desirable when the pattern has been more or less established after one or two redistributions—for the express purpose of enabling these commissions to take the proper account of municipal boundaries, the distribution of urban and rural populations, of traditional considerations and other such factors. The hon. member for Bow River seems impatient to rise. Perhaps he would allow me to answer one question before he asks another. If we were doing all this in a mechanistic way, as the reformers did it during the French revolution, we would simply take a map and draw lines on it without any regard to whether there were human beings involved or not. But since we have chosen to approach this question in an entirely different way we must have a tolerance large enough to take account of our history and geography as well as of certain traditional factors. Quite frankly, though we had to put some figure in the bill to start with, that, like other aspects of this measure is something upon which our minds are not closed.

Some hon. Members: Hear, hear.

Mr. Woolliams: Perhaps I may ask a further question. We may get a tolerance of 20 per cent, or whatever is decided on. But is it not a fact that there is no safeguard written into the law to provide that the commissioners, or the people doing the work of these commissions must have regard to a 20 per cent tolerance in certain areas. It could be less than 2 per cent. So this tolerance figure becomes extremely academic. That is my question.

Mr. Pickersgill: That is not a question; that is an assertion, as the hon. gentleman will find out if he looks at it later. It is an assertion that the commissions are not going to pay any attention to parliament and I do not believe that if parliament were to change the figure from the figure presently in this bill to another figure, that the decision of parliament in this respect would be ignored. I am sure the change would be an indication that the majority in this parliament felt there are cases where the higher tolerance should be regarded. Otherwise, what would be the sense of putting it there?

I am quite sure that the men who are going to be appointed to these commissions, no matter which of the two methods now under discussion may be followed, are the kind of men who are not going to try to disregard the will of parliament but are going to try to carry it out. But surely the hon. member is not suggesting that this parliament should direct the commissions that they must have one constituency at the bottom of the scale of the tolerance and another at the top. Surely if we are going to have a non-partisan redistribution, we are not going to try by the back door to prevent a non-partisan redistribution. It seems to me that the implication of the hon. gentleman's assertion was that he has a secret hankering after doing the job himself, instead of leaving it to the commissions.

Mr. Woolliams: Mr. Chairman, that is not very fair, and I am sure the minister wants to be fair.

Mr. Pickersgill: Yes, I want to be very fair.

Mr. Woolliams: My question was this. I still believe in every safeguard for human rights or any other rights, whether under this act or any other act. That is something that is spelled out in the law. That differentiates our democratic system of the rule of law from the rule of people. What the minister is saying this afternoon is briefly this, that he has a great respect for these men, whoever they may be. No matter how high your ideals are about it, they may be subject to some elusiveness when given such wide discretion. I say that the best safeguard is to spell out a thing in the law. You can promise us or anybody else the sky, but the fact is that this protection should be given under the law and not by people, with the greatest respect to the people doing the work today.

Mr. Pickersgill: Mr. Chairman, I completely agree with that, and that is why in this bill, unlike the bill introduced by the right hon. gentleman in the last parliament, we have a definite figure for the tolerance and we do not say that the commissions can disregard the figure and take any tolerance they like. That would certainly be disregarding the law and making the commissions completely arbitrary. I am not prepared to support the abolition of the tolerance altogether. I agree with the hon. gentleman for Bow River that what the tolerance is to be should be in the law. Whatever figure the house may agree upon, it should be a definite figure beyond which the commissions cannot go; otherwise we are just handing the thing over to these commissions without any rule at all.

Mr. Winkler: Mr. Chairman, would the minister allow a question in this regard?

The Chairman: Order, please. Before the hon. member poses his question, I wonder whether I could bring to the attention of the committee that we seem to be getting away from clause 6. For the last 10 or 15 minutes we have been discussing the question of tolerance, and my understanding of the procedure to be followed in the committee was that this particular clause would be set aside until the end. I would suggest that hon. members revert to the consideration of clause 6.

Mr. Winkler: I agree, Mr. Chairman, and I was going to take the argument back to clause 6, in conjunction with what the minister has now said, after consideration of the tolerance. Would it not be in the interests of parliament itself, under the jurisdiction of the chief electoral officer, who is the chairman—

Mr. Pickersgill: The representation commissioner.

Mr. Winkler: Yes, the representation commissioner—to safeguard this particular interest in clause 6 by reverting to the initial clause in the act? This we are prepared to support, and I think the minister now realizes this. He is in a flexible mood this afternoon, and if he will return to this position I am sure he will get full agreement.

Mr. Pickersgill: On that point, Mr. Chairman, I think perhaps I should indicate, as I indicated and as I think my colleague the Minister of Justice also indicated on Friday, that no one on this side of the house is going to try to suggest to any other hon. member what decision he should make about this matter. We do not regard this as a question of confidence at all. As I have pointed out from the beginning, it may well turn out—in fact I think it is pretty evident already—that some of us feel that the hon. member for Winnipeg North Centre has produced a better method than the one I produced. I happen to be one of those who think so. I think, in conscience, I should support that; I think it would be an improper thing for me to support anything else. I have at no time sought to suggest to any of my friends—I refer to my political friends in the house—that they should accept my judgment; I hope they will exercise their own judgment. I even hope there may be some broadminded people on the other side of the house who will not necessarily agree with the views that have been expressed this afternoon by the hon. member for Edmonton West. But it does seem to me that we must do this one way or the other. Either we are sincere when we say that every hon. member should make up his own mind without any fear or hope of favour as to which is the best way to do this, or alternatively we have to say that this is a

government measure and the government is going to use all the discipline it knows how to get this done in a certain way.

I said on Friday, and I say again, that if the bill as originally drafted is acceptable to the house, I am not going to shed any tears over it or this clause. After all, I drafted it and I would not have brought it before the house had I thought it was bad. I do not think it is bad; I think it would work reasonably well.

Mr. Crouse: Then why are you forsaking it?

Mr. Pickersgill: Because I think the other method would be better. I know there are people in the house, and a lot of people out of the house, who do not like the idea, when we are trying to take redistribution out of politics, of having the commissions appointed, or any of the commissioners appointed, by the leaders of political parties. I do not object to that myself, but I know many, many Canadians who do; who will say that this is a second best way. I did not think we could find a better way, but I do quite honestly and genuinely feel that the amendment that has been suggested is a better way. However, I am not asking anyone else to share my view at all, and I am perfectly happy to have the committee decide this question by a vote at any time.

As for the subamendment, I feel a little differently about that. Perhaps, Mr. Chairman, I could say just a word about that at this moment. I think the subamendment is essential either to the amendment or to the main motion, because otherwise we might create an unworkable situation; in other words, we might have a case where the chief justice of the province was incapacitated or ill, or where there was a vacancy and there would be nobody to make the appointment within the statutory time. We do not want this to happen. I also think it would be better for trial judges, as well as appeal judges, to be eligible for the chairmanship of commissions. That is all the subamendment does; it ensures that whoever for the time being is fulfilling the functions of the chief justice of the province shall be able to exercise the powers given to the chief justice, and he will be able to choose, not just from the appeal court in the case where there are two courts, but from the appeal court or the trial court. I think we could put that in the bill, whichever way it goes. But as far as the amendment is concerned, I say again that personally I feel it is somewhat better and somewhat more acceptable; but I cannot deny that I think the other method would work pretty well, too. So far as I am concerned, I am ready to have the matter voted upon at any time and to accept very cheerfully indeed the decision which the house, in its wisdom, makes.

Some hon. Members: Question.

The Chairman: Order, please.

Mr. Lambert: Mr. Chairman, I have a question for the Minister of Transport. He did not deal with what I—

The Chairman: Order, please. I have been wanting to give an opportunity to other hon. members to join in this debate. Some hon. members at the other end of the chamber have been rising repeatedly, and I would like to be given an opportunity to recognize them. Did the hon. member for Edmonton West wish to direct a brief question to the minister?

Mr. Lambert: I wanted to know, Mr. Chairman, whether the minister was going to deal with the point I raised about the reference back, in the alternative, to the representation commissioner, and the illogicality that I feel exists in this position where the chief justice cannot name himself on the commission, yet the representation commissioner, who is a member, has the right of approval of the alternative appointment.

Mr. Pickersgill: Did the hon. gentleman say that the chief justice could not name himself?

Mr. Lambert: Yes.

Mr. Pickersgill: I do not so interpret the clause in either form. I would think the chief justice could appoint himself or any other member of his court. He is a member of his court, after all. This point never occurred to me. I am not a legal draftsman, but my understanding from the legal draftsman was that this would include the capacity of the chief justice to appoint himself.

I hope in many cases that that is precisely who would be the chairman of the commission, as is the case of the provincial commission in Manitoba. As for the other point made by the hon. member for Edmonton West, should, for example, the amendment be accepted, if the hon. member felt this was a defect it would still be capable of further amendment.

Mr. Thomas: Mr. Chairman, on a point of order, the Minister of Transport stated that the amendment to the amendment, or the subamendment, should possibly be withdrawn. I do not know how we can consider the amendment of the hon. member for Winnipeg North Centre properly until the subamendment is withdrawn. Now that we are told that in the wisdom of the Minister of Transport the subamendment will apply in any

event whether or not the amendment is carried, the subamendment should be incorporated in the bill. To clear this matter up, if we are going to consider the two tied together we are heading for confusion worse confounded. If the two are separate and the subamendment is to be incorporated in the legislation in any event, or if it is desired to be incorporated in the legislation, then it should certainly be removed at this time so that we can consider the amendment itself on its merits, and not have the two amendments confused.

Mr. Favreau: Mr. Chairman, if I understood the Minister of Transport aright, I think he meant that the principle of the subamendment ought to apply to whatever clause is voted upon—that is, either the amendment or the original clause 6 as proposed in the bill. If the amendment were voted on without the subamendment, then if I were of the opinion that I should vote for the amendment I could propose an amendment to the clause which would have already been voted on. Therefore, I think the procedure would be to put the subamendment to the vote; and depending on the fate of the amendment I would then rise and propose another amendment to clause 6.

The Chairman: I think that is the correct procedure. There should in due course be a vote on the subamendment; and if the amendment as amended does not carry it would be the responsibility of the Minister of Justice to introduce a new amendment to amend the original clause itself. I am sure there will be no difficulty about it.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I do not intend to talk at length about the matter under consideration.

The choice lies between two types of electoral boundaries commissions. On the one hand, their members could be appointed by the leaders of the political parties, that is by the Prime Minister (Mr. Pearson) and the leader of the official opposition (Mr. Diefenbaker); on the other, they could be appointed by politically independent people, that is, of course, if the provisions of clause 6 remain as they are now. However, if the amendment is not taken into account, we would like changes to be made to the said clause.

We think that members of the provincial boundaries commissions for the various ridings should not necessarily be appointed by the Prime Minister and the leader of the official opposition, but rather by the leaders of the two parties who have obtained the most votes in a province during the previous election, just as it is now the case, under the Canada Elections Act, in our various constituencies.

As a matter of fact, when city enumerators are appointed, they are chosen by the candidates of the two political parties who obtained the greatest number of votes in the previous elections. For instance, in my riding, if any political party obtained only 200 votes, whereas the Ralliement Creditiste received 16,000 and the candidate of the Conservative party, for instance, did not even get 2,000, then the Conservative party does not represent public opinion, and I do not see why that party rather than the Ralliement Creditiste should appoint the enumerators.

To my mind, we should proceed in the same way, with regard to the appointment of provincial commissions members, and maintain that procedure for instance, in certain places, in the province of Quebec, where the Conservative party is practically nonexistent according to the latest results—

Some hon. Members: Hear, hear.

Mr. Gregoire: Mr. Chairman, I hear applause from both sides of the house. As a matter of fact, Mr. Chairman, it is true that there are some left, and they are rare animals, but you know that most of the time they are confined in museums. Consequently, next time we shall send them to the Quebec city provincial museum.

In the circumstances, I do not see why the leader of the official opposition would appoint the members of the commission for the province of Quebec, when his party practically no longer exists there, for the two parties that received the greatest number of votes are the Liberal party and the Ralliement Creditiste.

On the other hand, in Alberta, the Liberal party was third best, far behind other parties. As a matter of fact, it is practically extinct in that province. Since the two parties that received the greatest number of votes are the Conservative party and the party of the hon. member for Red Deer (Mr. Thompson), it would be in order that those two leaders appoint the members of the commission for that province.

This procedure should be applied in the various provinces, which would enable the party leaders with the greatest number of votes to appoint the commissioners for the province.

In other respects, I support the new method advocated in the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles), which is an effort to take redistribution completely out of politics and appoint in each province three commissioners who would be as far removed from politics as possible. I am not saying we would thereby achieve

perfection, for mistakes would certainly be made. Nevertheless, it seems to me such mistakes would not be more serious than those which could be made if the commissioners were to be appointed by party leaders. In any case, there would not be as many, because a very high standard would be sought in setting up electoral boundaries commissions which were politically independent.

As pointed out by the hon. member for Winnipeg North Centre and the Minister of Transport (Mr. Pickersgill), such is the object of the proposed amendment. In my opinion, however, even the amendment would have to be changed, but the Minister of Justice (Mr. Favreau) and the Minister of Transport are no doubt better qualified than I am in that respect. It is a matter of terminology more than anything else.

I see, for instance, that section 6 (1a) provides: "The chief electoral officer, the surveyor general or the registrar of vital statistics of the province or the holder of any similar office in the province of Quebec".

I think that we have not seen many pieces of legislation voted by this parliament using such vague and broad terms as those: "or the holder of any similar office in the province." Now, reference is made to:

1—the chief electoral officer;
2—the surveyor general.

Those offices are far from being similar. The chief electoral officer does not do any surveying and the surveyor general does not deal with voting on election days.

And here is a third category: "the registrar of vital statistics of the province". That is another office altogether different.

And finally, another one is added: "or the holder of any similar office in the province", while three different offices were just lined up:

1—the chief electoral officer;
2—the surveyor general;
3—the registrar of vital statistics.

In my parish the parish priest is a registrar of vital statistics.

Reference is made to "the holder of any similar office". Similar to what category, Mr. Chairman? Similar to the surveyor general, to the parish priest or to the chief electoral officer?

You will recognize that it is quite vague and indefinite. I am amazed to see that the hon. member for Winnipeg North Centre who has an acute sense—as he has showed in the past—of precision in procedure and legislation should bring forward such vague terms.

But that is not all. We can also read: "The president or other similar officer of a university"—I should like to know what other officer is similar to the president of a university. There is the president and then the officers under him. He is president because he manages the whole business; now there are no such officials at a university.

We also read therein: "or other similar officer of, or a member of the faculty of a university, college, or other educational institution providing courses at a post-secondary school level in the province." That is compared to the president. Now, the secretary of the law faculty is certainly an officer of the university.

I hear the hon. member for Lotbiniere (Mr. Choquette) reminding me that, in our time, there was an apparitor, or beadle; the apparitor took the roll call of the students and was a university officer. Now, I can hardly imagine such an officer as a member of such a commission.

There are some rather vague terms here. For instance, how far will the powers of the chief justice extend? How is he going to choose his commissioners?

I see the Minister of Citizenship and Immigration (Mr. Tremblay), who was a professor at a social science faculty. I shall render him this tribute: He was very efficient in his teaching field, but not with regard to the innovations he wants to bring about now. He is even secretary of the Quebec liberal federation. That means that the chief justice might have appointed him a member of the boundaries commission.

I am in favour of the principles laid down here, but I do not approve of the terms of this amendment which, to my mind, has been written in a hurry without any effort being made to use explicit terms in order to avoid the danger of partisan politics.

Another member of this government was once a university professor: the Secretary of State (Mr. Lamontagne). Does that mean that he would have been a commissioner really aloof from politics, when during all the time he spent at the university he was head over heels in politics?

I think that the Minister of Transport will agree that the terms of this amendment are not precise enough. The bill should say only: the university president. For the University of Montreal, it is Mgr. Moreau; for Laval University, in Quebec city, it is Mgr. Vachon. Are university presidents going to quit their functions in order to look after redistribution?

Mr. Pigeon: There is also Mgr. Lusier.

Mr. Gregoire: He is with the University of Montreal.

For instance, it says here: the chief electoral officer of the province. This is something, Mr.

Chairman, that can be taken into consideration and can even bring advantages. Then provincial counties and constituencies in some provinces might be roughly similar to those of other provinces, and four or five provincial ridings might be included in a federal constituency. There will probably be a greater tendency to unity in some provinces if the chief electoral officer of the province is at the same time a commissioner, that is a member of the federal commission.

Hence, I want to ask the Minister of Transport, the mover of the bill, to retain the idea of the amendment—I am in favour and I approve of it—but before the question is put on that matter, let him give a more precise definition of the terms than is the case at present. The wording is too vague, too indefinite to be adopted as is.

I should like to bring another point to the attention of the Minister of Transport. The article states: "selected by the chief justice of the province". But, in the province of Quebec, you have the chief justice of the court of appeal, the chief justice of the superior court and, finally, you have a district superior court in Quebec city, a district superior court in Three Rivers and a district superior court in Montreal. Therefore, there are three chief justices. Furthermore the magistate's court has a chief justice and the court of the sessions of the peace also has a chief justice.

Mr. Choquette: There is the municipal court.

Mr. Gregoire: It is not a provincial one.

Which one of those judges is concerned? There again, some explanation is called for.

There are several such points, Mr. Chairman, and I feel that the Minister of Transport should be asked not to withdraw the amendment, but to allow it to stand for a 24-hour period. In the meantime, we could go on to the other sections, and the Minister of Transport could ask his departmental officials, those of the Department of Justice or those responsible for the administration of the Canada Elections Act, to define those terms, so as to prevent any future misunderstanding or any mistake from being made, not in bad faith, but through failure to consider the terms of this amendment.

Mr. Chairman, I support this amendment because I feel that the more we keep clear of politics, the better it is.

I think that I have successfully proved that the terms of the said amendment are indefinite and vague, and I would like to move that the said section 6 be allowed to stand for now and that we could go on to consider other sections. We could ask the Minister of Transport to have more precise terms used in that section. We should not use terms such as "any similar office" or "a member of the faculty or other educational establishment", but precise terms. Then the members of our party would readily agree to section 6.

The Chairman: May I mention that we are now considering the subamendment and that we are not yet ready to vote on the amendment of the hon. member for Winnipeg North Centre.

[*Text*]

I am wondering if the committee is prepared at this time to vote on the subamendment. Also I am wondering, for the sake of orderly conduct in the committee, whether it would not be wise to try and dispose of the subamendment which, in a way, is of a minor character. The subamendment is to clarify the question of the position of chief justice as mentioned in clause 6 (1) of the original bill. If we could dispose of the subamendment we could go on to debate or vote on the amendment itself.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I think even the subamendment still shows a lack of precision. I have only the English text but, for instance, when it says:

—of any superior court.

—the word "superior" is written with a small "s". Would it not be a good thing to define what is meant by "any other"?

There are no superior courts in the province of Quebec, "Superior" with a capital "S", that is.

When one considers that we have the court of appeal, I would like to know, from a terminology standpoint, what the word "superior" means. Is it restricted to the court of sessions of the peace or to magistrates courts? Does it mean that the superior court of Montreal is a superior court? There are even courts which are presided by two justices of the peace.

That is where we should be more specific, to eliminate the vagueness of the amendment and subamendment put together.

We ask that the sponsor of the bill be given time to make his terms more explicit, so that he may succeed not only in expressing a precise idea, but in using clearly defined terms which will not eventually give rise to misinterpretations, misunderstandings or even mistakes which we would all have cause to regret.

[*Text*]

The Chairman: Is the committee ready for the question on the subamendment?

Mr. Aiken: No, no. Speaking first on the point you have just raised, Mr. Chairman,

I think it is eminently clear from the subamendment that if we accept it, then we are accepting the premise of the amendment.

Some hon. Members: No.

Mr. Aiken: Well—

The Chairman: Order. If I may have one word, and I do not want to enter the debate of course, possibly I might refer to the statement I made a moment ago, that even if we accepted the subamendment and then the amendment itself was defeated the Minister of Justice could still introduce an amendment to the main clause.

Mr. Aiken: With all respect, the subamendment reads as follows:

That the following words be substituted for subsection 2 of section 6 in clause 1 of the amendment as moved by the hon. member for Winnipeg North Centre.

I merely say I am opposed to the amendment moved by the hon. member for Winnipeg North Centre and I would not want to vote on the subamendment until we had fully discussed the amendment.

Mr. Pickersgill: I wonder whether I could make a practical suggestion, that the house consent to allowing the hon. member for Winnipeg North Centre to incorporate the subamendment in his amendment and then there will be no confusion.

Some hon. Members: No.

Mr. Pickersgill: When we voted on it we would then be voting on his amendment.

Some hon. Members: No.

Mr. Pickersgill: I just thought it might be simpler for the committee.

Mr. Knowles: Mr. Chairman, I wonder whether I might make an appeal to the hon. member for Bow River to consider that the suggestion the Minister of Transport has just made is a rather practical one. If it were permitted that the subamendment be incorporated in my amendment I would be glad to agree to that.

Mr. Woolliams: No.

Mr. Knowles: I am appealing through you, Mr. Chairman, to the hon. member for Bow River, a very eminent counsel. If my amendment in the terms I would then be putting it were carried, that would be the judgment of the committee. On the other hand, if it were defeated it would still be clearly in order for the Minister of Justice or anyone else to move an amendment to the main clause to incorporate the parts of my amendment that the house generally seems to favour. It does seem to me that it would simplify matters a bit if I were allowed to accept the words of the Minister of Justice and make them part of my amendment, but obviously it would require unanimous consent.

Mr. Favreau: Mr. Chairman, I must say that the reason I moved the subamendment was precisely a procedural one. Personally I would much prefer if it were possible, assuming we had unanimous consent of the house, to integrate it in the main amendment so that we would have one amendment to vote on. Then we would know clearly that what we were voting on by way of an amendment was the principle submitted by the hon. member for Winnipeg North Centre. If it were defeated then I could move to amend clause 6 so as to incorporate what is merely an explanation of the scope of the persons from whom the choice can be made. If the committee would agree to incorporate the subamendment in the amendment I would be ready to withdraw my subamendment.

Mr. Baldwin: Mr. Chairman, assuming for the sake of argument that the subamendment moved by the Minister of Justice had such merit that it would appeal to the house, what would be the procedural situation if his subamendment were included in the amendment and the amendment as modified by the subamendment were defeated? Would it not be correct that the committee would then have rejected each and every principle appearing in the amendment, which would include the subamendment? With the house having come to a decision, would the Minister of Justice then be able to come back and move an amendment which the house had already rejected? I offer that for your consideration, Mr. Chairman.

Mr. Thomas: Mr. Chairman, if I may come back to the point I raised a few minutes ago I think it would clear up the matter more satisfactorily if the subamendment were removed from the amendment. If the house by unanimous consent can incorporate the subamendment in the amendment moved by the hon. member for Winnipeg North Centre, then I do not see why the house by unanimous consent cannot remove the subamendment from the amendment and let us deal with the amendment itself on its merits. I would so move, Mr. Chairman.

The Chairman: There can be no other motion at the moment.

Mr. Knowles: May I say that I agree with what the hon. member for Middlesex West has said. I think either course would arrive at what we are trying to do. We are trying to get a vote on these two questions separately without their being tied together. Either the subamendment could be incorporated in my amendment or the Minister of Justice could

be given unanimous consent to withdraw his subamendment on the understanding that if my amendment were defeated he would move the subamendment later as an amendment to the original clause. Naturally my main interest is in my amendment but I am also interested in our making some progress.

Mr. Nielsen: On the point of order raised, I agree wholeheartedly with the hon. member for Peace River. Once the house rejects, if that happens, the composite amendment, how in the world can we vote on it a second time after it has been reintroduced?

Mr. Favreau: It would not be in the same form.

Mr. Woolliams: It seems to me we have three things. We have the clause of the bill, we have an amendment and we have a subamendment. With the greatest respect, it seems to me what we have got to clear up is the amendment and then the subamendment. If the amendment is carried we then have the question whether the subamendment becomes part of the amendment or part of the clause of the bill. It is very clear. The question now before us is whether we are going to adopt the amendment. That is what is being debated, and the subamendment will form part of the amendment. It seems very clear to me.

Mr. Olson: Mr. Chairman, it seems to me that the way to get out of the difficulty with which we are confronted is for the Minister of Justice to obtain unanimous consent to withdraw his subamendment. I say that because a very real problem has been raised by the hon. member for Peace River. If we do in fact reject the wording of the subamendment now we may run into difficulty in reintroducing an amendment where a vote of the house has already been taken. The Minister of Transport has said that the wording of the subamendment is required in clause 6, whether the amendment suggested by the hon. member for Winnipeg North Centre is accepted or whether we revert to the wording now in the bill. Therefore as far as we are concerned, and I see I almost have unanimous consent, we think this would be the most practical way to deal with the problem because some members have voiced some objection to supporting the subamendment in that it may imply they are in favour of the amendment. We know of cases where this has been true. Therefore it seems to me the most practical thing to do would be to withdraw the subamendment so that each of us will know exactly where he stands.

Mr. Favreau: Mr. Chairman, in view of the feeling of the committee on the matter, which seems to be relatively general, I would be ready to withdraw the subamendment provided I have agreement of the committee in advance, of course, that I may move it again if the amendment is accepted or rejected.

Mr. Nielsen: Withdraw them both and you will get unanimous consent.

Mr. Favreau: There is no problem.

The Chairman: I do not know if there are other members who want to take part in this discussion further. The hon. member for Parry Sound-Muskoka.

Mr. Aiken: Mr. Chairman, we have one further difficulty. I think we have a motion by the hon. member for Lapointe.

Some hon. Members: No.

Mr. Churchill: It is out of order.

Mr. Aiken: In that case I have to admit that—

[*Translation*]

Mr. Gregoire: Mr. Chairman, on the point of order, it is true that I have asked the Minister of Transport to let clause 6 stand for a 24-hour period in order to give him time to consider the wording of the amendment because, in my opinion, I have fully established that it is ambiguous. In so doing, we would give the Minister of Justice and the Minister of Transport time to check the terms and replace them by others more precise and less vague.

That is the proposal I made a few minutes ago and I have not had any answer. I should like to know whether he would be prepared to reconsider the wording of this amendment.

Mr. Favreau: As far as I am concerned, Mr. Chairman, I think the only question which was asked concerning the subamendment had to do with the meaning of the words "high court" and the answer is that they apply to the supreme court in all provinces. Those Quebec courts have the same jurisdiction and the same rights as the equivalent tribunals in the other provinces.

Quebec has a superior court, the Queen's bench (criminal jurisdiction) and the Queen's bench (appeals division).

In each province the jurisdiction of the high courts is clearly established as is that of the tribunals mentioned earlier such as the court of the sessions of the peace, the magistrates court and other courts of so-called lower jurisdiction.

Mr. Gregoire: Mr. Chairman, I had also mentioned the boundaries and I think that, at that time, the Minister of Justice recognized that all such offices were not filled in other provinces whereas he had mentioned

three of them previously, that is the chief electoral officer, the surveyor general and the registrar of vital statistics. Three people are appointed to three different offices in the province—I see that the minister is talking —but I said a little earlier that those terms were vague and the same thing is true with regard to paragraph (b): "the president or other similar officer of a university". What is meant by officer of a university? Is it a professor, an employee of the university? Those terms are vague and not precise. They are the ones we would like to see explained before the vote.

The Chairman: Those remarks deal mainly with the amendment rather than with the subamendment and the suggestion made a moment ago is to the effect that the Minister of Justice be given the unanimous consent of the house to withdraw his amendment.

[*Text*]

I would ask this committee whether it gives the Minister of Justice unanimous consent to withdraw this subamendment?

Mr. Aiken: I had not completed the remarks I was making before I was interrupted by the hon. member for Lapointe. We have been asked to give unanimous consent to the withdrawal of this subamendment. I may be a little slow in my mental process, but I should like to ask the Minister of Justice why he needs to have an understanding or an agreement that he can reintroduce it? I am a little slow about this. If he withdraws it unconditionally, I see no objection.

Mr. Pickersgill: I can perhaps throw a little light on that. If the committee voted on the hon. member's subamendment, there might be some argument. If he is given consent to withdraw it, then the committee has not passed upon it and there is no reason why, at a later stage, if it is in order he could not introduce it. This would enable us to deal clearly with what hon. members want to deal with, that is the amendment moved by the hon. member for Winnipeg North Centre. I would, therefore, hope we could agree, without any condition, to the withdrawal of this subamendment.

Some hon. Members: Agreed.

Amendment to the amendment withdrawn.

The Chairman: The question is on the amendment. The hon. member for Muskoka-Parry Sound.

Mr. Aiken: I have some remarks, and for the benefit of hon. members who are making the noise across the way, I may say that they are extended remarks. The Minister of Transport has said he agrees with the original clause, but perhaps the amendment may make it a little better. All the members of the committee are entitled to their own opinions, and I want to express mine. I am hoping that in so doing I might persuade some of my colleagues that the original draft of this bill is the right one.

I think someone should say what I am about to say. Most members have skated around this, but let us be honest about the whole situation. What are the dangers of redistribution? Why do we find ourselves in a position where we are arguing about redistribution? Is it not simply that redistribution is a political matter?

An hon. Member: It is a geographical matter.

Mr. Aiken: Surely no one in this house is so naïve or so dishonest with himself as to say that redistribution is not a political matter. It is so darned political that we are arguing about it and probably will continue to argue about it *ad infinitum*. Let us not fool ourselves. If it were not a political matter, why should we be trying our best to get it outside of the bounds of partisan politics? So it is a political matter. On political matters there must be two sides—I limit it to two sides, but there are sometimes three, four or five. Basically, however, there are two sides.

If the boundaries of a constituency are drawn one way it is going to benefit one party. If they are drawn another way it is going to benefit another party. I do not say which party, and I do not say who is going to benefit. However I say this is a political matter, and let us not try to say we will be putting this into the hands of judges and others and they will not be accused of partisan politics. They cannot avoid it.

It is nearly five o'clock, but I want to say if the judges are going to be given any break at all under this legislation there must be two parties on this commission, one appointed by the Prime Minister and one appointed by the Leader of the Opposition, who will be able to put forward the opposing views in connection with redistribution. It will be necessary then for the whole commission to decide what is fair, but we cannot cripple them before they even start by not having both sides of the story laid before them. You are allowing two sides to participate in that commission, and for that reason alone we must follow the original draft of the bill.

May I call it five o'clock?

Progress reported.

Mr. Deputy Speaker: It being five o'clock, the house will now proceed to the consideration of private members' business as listed on

today's order paper, namely notices of motions and public bills.

INCOME TAX ACT

EXEMPTION FOR SCHOOL TRUSTEES

Mr. R. R. Southam (Moose Mountain) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act, section (10), subsection (3) so that elected trustees of "larger school units" be entitled to the same exemptions of their regular indemnities for income tax purposes as those presently allowed to elected members of municipal corporations.

He said: I welcome this opportunity to direct the attention of the house to what I consider to be a defect in the income tax laws of our country. For the enlightenment of hon. members and for the sake of the record I should like to read the section to which my observations will refer. I am now holding a revised copy, office consolidation, of the Income Tax Act which at page 14, section 10(3) reads as follows—this refers to municipal officers expense allowance:

Where an elected officer of an incorporated municipality has been paid by the municipal corporation an amount as an allowance in a taxation year for expenses incident to the discharge of his duties as an elected officer of the corporation, the allowance shall not be included in computing his income for the year unless it exceeds one half of the amount that was paid to him in the year by the municipal corporation as salary or other remuneration as an elected officer of the corporation, in which event there shall be included in computing his income for the year only the amount by which the allowance exceeds one half of the amount so paid to him by way of salary or remuneration.

I think that is a clearcut enunciation of the position and I believe the problem I intend to raise will become apparent to hon. members as I continue to make a few further remarks. It is a problem which affects particularly the province of Saskatchewan inasmuch as we have there larger school units than those which exist in some of the other provinces. Back in 1905, when Saskatchewan came into confederation, we set up school districts which were very small in area; the municipal units were also relatively small. School districts in those days were four, six, or eight square miles in area. However as time went on and communications improved the areas became larger, and in 1945 the provincial government saw fit to give school districts the option of amalgamating into larger units. Thus today we have school units which comprise 30 or 40 square miles of area.

In consequence, the elected officials of these larger school units have to take possibly a whole day off from their other work in order to look after the obligations imposed on them. In order to get round these large districts they have to leave their businesses or vocations in charge of someone else, often at considerable expense. We believe it is time the Income Tax Act was amended in this respect so as to provide for these officials the same benefits as municipal officers now enjoy. I might say that in Saskatchewan we have some 398 municipalities the officials of which presently enjoy these benefits. Under the present legislation governing our schools we have approximately 65 of these larger school units where the duties of these officers are even greater in scope than they would normally be. In my opinion, the present provision as it affects these people is discriminatory and reflects a defect in the act.

I do not think I need take up the time of the house any further. The point I wish to make is a very simple one and I would ask members of the government to look at the act as it is drawn up at the present time, to examine the problem as far as these officials of the larger school units are concerned, and to propose an amendment of the legislation which would give them the benefits to which I think they are entitled as far as income tax is concerned. Other hon. members of this house have indicated their support for the present motion. I believe the hon. member for Assiniboia (Mr. Watson) who seconded the motion has some observations to make on it and no doubt others will find it worthy of their support.

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): I should like to congratulate the hon. member for Moose Mountain (Mr. Southam) for having brought up this interesting question, one which has of course been considered over the years by the officials who are dealing with these matters and by the government in its position of responsibility for proposing changes to the Income Tax Act.

I was very interested in the outline the hon. member gave of the important developments in Saskatchewan leading to the amalgamation of school units. As I understand it, a similar situation applies in other provinces of Canada; it certainly applies in my own province of Ontario. In his resolution the hon. member speaks of larger school units. This phrase might be difficult to define in terms of legislation and I think it might be made a little more clear later on. He also quoted in detail section 10 (3) of the Income Tax Act which is the relevant section when we are dealing with this matter. This section provides:

Where an elected officer of an incorporated municipality has been paid by the municipal corporation an amount as an allowance in a taxation year for expenses incident to the discharge of his

duties as an elected officer of the corporation, the allowance shall not be included in computing his income for the year unless it exceeds one half of the amount that was paid to him in the year by the municipal corporation as salary or other remuneration as an elected officer of the corporation—

In other words, not more than one third of the aggregate of the official's salary and his allowance may be excluded from his income. For example, if his salary is $1,500 the allowance should not exceed $500 to escape taxation. If, on the other hand, of a total of $1,500, the amount of $600 was regarded as an allowance and $900 as salary, only $450 could be excluded from the recipient's income under the terms of the section and the balance of $150 would have to be brought into income. It should be noted that the expenditures in section 10 (3) apply only to elected officers and not to appointed officers or employees. In many parts of Canada, even if this were extended to include members of school boards, some school board members would be excluded because they are appointed rather than elected.

This section was introduced into the act in 1953 and made applicable to 1946 and subsequent taxation years. It was made retroactive at that time so that the new deduction for expense allowances of elected members of the governing bodies of incorporated municipalities would date from the time a corresponding deduction was introduced for members of provincial legislatures.

The legislation that was placed in the income tax law in 1946 provided that—

—where an elected member of a provincial legislative assembly is, under an act of the provincial legislature, paid an allowance for expenses incidental to the discharge of his duties as a member, either

(a) the allowance paid in the taxation year, if it does not exceed one half of the maximum fixed amount provided by law as payable to the member by way of salary, indemnity or other remuneration as a member in respect of attendance at a session of the legislature, or

(b) a portion of the allowance equal to one-half of the said maximum fixed amount,

whichever is less, shall, notwithstanding anything in this act, not be taxable as income for the purposes of this act.

This provision for a deduction of expense allowances of members of provincial legislatures is still in the act as section 10(2). The extension of this provision for excluding expense allowances of a member of a provincial legislature to include expense allowances of elected officers of municipalities was urged upon the government in 1953 by the association of Ontario mayors and reeves. It had also been urged for several years by mayors and other representatives of municipal bodies.

The mayor of Sherbrooke took a case involving the taxation of expense allowances to the tax appeal board, but the tax assessment was upheld. At that time a number of allowances were paid without any occounting on the part of recipients and there was a great lack of uniformity in the kind of allowances paid. In 1953 the government of the day introduced the legislation which is the same as now found in section 10(3) of the act, to clarify the situation and provide a fair exemption for the allowances paid to elected members of municipal governments. It is interesting, I think, to note in this connection some comments in the C.C.H. tax service, and I quote from page 689 of such tax service as follows:

The exemption provided for by section 10(3) is available where an expense allowance is specifically voted or appropriated. It is understood that the authorities administering the act consider that a specific vote or appropriation cannot be made retroactively. On this basis it would not be possible for a municipal council to provide in 1953 that a payment of $750 made to a municipal officer in 1952 or a prior year was to the extent of $500 remuneration and to the extent of $250 an allowance for expenses incidental to the discharge of municipal duties.

The Minister of National Revenue stated in parliament (*Hansard*, volume 95, No. 83, page 3697) when the 1953 amending act was introduced, that it was not intended that the exemptions provided for in section 10(3) should be available to members of school boards.

I should like to quote further from the tax service as follows:

It would appear, however, that the provision may be wide enough to apply to them.

This was the opinion expressed by this eminent tax service. However, in a recent case, Thompson Estate *v.* The Minister of National Revenue, a decision of the tax appeal board reported in 64 Dominion Tax Cases, 142, the decision was as follows:

A school board trustee excluded from his income amounts stated to be an allowance for expenses incident to the discharge of his duties. The provisions of section 10(3) were not available to the trustee. The school board was a corporation and municipal in nature. However it would be giving the commonly accepted meaning of the term "municipal corporation" a stilted or strained connotation to apply it to a school board.

Since 1953, suggestions have been made—that is, since the time the section was extended to include municipal officers—from time to time this exclusion from income should be extended to school trustees. These representations have been scattered and few in number and have not provided the government with adequate information concerning the kind of allowances that are paid, which I am sure varies greatly across the country. As a matter of fact, all of us know that many school board members receive no pay whatsoever.

It is important to note that section 10(3) does not allow members of municipal councils the right to deduct the expenses they incur. The law provides that certain allowances paid by a municipal corporation to its elected officers incident to the discharge of their duties may be omitted when computing their income. Thus, for this section of the law to be operative there must be an allowance of a stipulated amount authorized and paid by the municipal government. That part of such an allowance that does not exceed one half the officer's salary or other remuneration need not be included in computing an elected officer's income. An extension of section 10(3) to school trustees would be of benefit only where school trustees are elected, where they are paid a salary and where they are paid a specific expense allowance.

Since not all school trustees or members of school boards are elected, and by no means all receive a salary, and fewer still receive specific expense allowances, there have been few representations, as I mentioned previously, to amend this particular section of the act to include members of school boards. The provisions in section 10(2) and 10(3) were introduced because the payment of expense allowances to members of provincial legislatures and elected officers of municipal governments were well established and paid under existing legislation. These allowances were regarded by the governing bodies making the payments and by the recipients as compensation for expenses and not as remuneration. It therefore seemed appropriate at that time to authorize this treatment for income tax purposes.

If the proposal before the house is accepted, there may be considerable pressure upon school boards to pay trustees both a salary and an expense allowance and, where there is only a salary paid at present, to classify part of that remuneration as an expense allowance. Thus, the proposal, instead of recognizing an existing form of payment which has developed to meet particular needs over the years, might provide an artificial stimulus to pay expense allowances and to classify payment as allowances without regard to the actual expenses or needs of school trustees.

I would like to assure the hon. member for Moose Mountain that his representations in this regard, as contained in the resolution, are worthy of consideration and I can also assure him that, provided I am in a position to do so, this matter will be brought before those who will consider tax changes in the coming year. I believe, as I mentioned earlier, that it would be very useful to the government to have more information as to exactly how expense allowances are being paid and what expense allowances are being paid to school trustees throughout the country. In this regard I would urge persons who are interested in this matter to submit representations to the government so that the government may consider this particular problem with the same kind of full knowledge that it had when it was considering the problem of members of provincial legislatures back in 1946, and mayors, councils and municipalities in the year 1953.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I want to say at the outset that I have no hesitation or reservation at all in supporting the proposal made this afternoon by the hon. member for Moose Mountain (Mr. Southam). I want to state at the outset that in Alberta, where I think the setting up of what have been termed school units was pioneered, there does not appear to me to be any significant difference between the service provided by a school board or school unit trustees and that provided by municipal trustees. This is particularly true in the rural areas.

The parliamentary secretary to the Minister of Finance (Mr. Benson) has just stated that he would welcome some information as to how expenses are now being paid to the elected representatives of school divisions. I would like to tell him one or two things about this matter as it applies in Alberta. I speak specifically of southern Alberta, but I think it is true for the whole province, because at this stage all the rural areas of Alberta are in what we call school divisions and I think we can put exactly the same connotation on that as you can on the words "larger school units" in the resolution. There is provision for the payment of something like $15 a day, I believe, for each one of the trustees for the days they actually spend in school board meetings, plus an allowance of something like 12 cents per mile, I believe it is at the present time, for travelling to the meetings and back to their homes. In addition to that there are special payments for occasions when a school board member is required to visit a school within his subdivision but which is many miles from his home. In these cases exactly the same allowances are paid; $15 a day for the time he must spend away from home plus 12 cents a mile travelling to and from his residence.

There is one other point I should like to bring up to show the injustice and anomaly created by section 10(3). Commencing in 1936 or 1937 Alberta set up these larger school units for the more efficient operation of schools in the rural areas. This has worked so satisfactorily that from time to time other provinces have adopted the same method.

Now we have moved to another phase and we are setting up counties. We have well over 20 counties now and these county councils administer the affairs of all the schools within their boundaries through what they call the school committee of the county council. From my interpretation of what is now provided in subsection (3) I would presume that those members who are in fact elected to the county council, even though they may be subsequently appointed by the county council to the school committee, would be able to claim under this section expenses they incur for doing exactly the same thing which the school trustees do in units which are not counties.

This is completely unfair because, as I said, they are doing exactly the same thing. I know that in some of the county councils, while the members appointed to the school committee do have a vote on the council when the council is in what might be called plenary session, they spend all or almost all of their time on school affairs. The chairmanship of the school committee is a full-time job within that time devoted to county and school business. The chairman is completely or almost completely concerned with school affairs in the same way as the chairman of the school board. Therefore there is an injustice created here which could be corrected by accepting the recommendation which has been made by the hon. member for Moose Mountain.

In many cases the amount of the budget and the amount of the detailed work and general responsibilities of school trustees within a given area is substantially higher than that of the municipal councillors within the same area. I think it speaks for itself that there is therefore real justification for making some changes. In fact, at the present time if we had to choose between whether the school trustee or the county councillor should receive some consideration by way of expenses incurred, there are many places where the school trustee would be given priority because of the larger amount of money which he would be handling, and the greater responsibility he has to attend to the details of school administration.

I do not wish to say more because other hon. members would like to participate in this debate, but I am pleased to hear that the parliamentary secretary is going to take this matter to the Minister of Finance (Mr. Gordon) and his officials when they are considering amendments to the Income Tax Act because, as I said, a serious injustice prevails here which could and should be corrected.

[Mr. Olson.]

Mr. Lawrence Watson (Assiniboia): Mr. Speaker, I should like to say a few words in support of this motion moved by the hon. member for Moose Mountain (Mr. Southam). I believe this is a question of the income tax laws not keeping up with progress in some of the provinces. The hon. member for Medicine Hat (Mr. Olson) illustrated this when he referred to what happened in Alberta in 1936 or 1937. The larger school unit act came into effect in Saskatchewan in 1945. I believe the motion speaks for itself when it says the government should consider—

> —the advisability of amending the Income Tax Act, section (10) subsection (3) so that elected trustees of "larger school units" be entitled to the same exemptions of their regular indemnities for income tax purposes as those presently allowed to elected members of municipal corporations.

When we speak in the rural part of Saskatchewan of municipal corporations, we are naturally thinking of the rural municipalities which were set up in 1905 when the province was established. These areas are 18 miles square and have six board members and one reeve. Under the larger school unit act of Saskatchewan these boards also have a chairman elected from the six members, and these people represent an area which would be possibly six or seven times the size of a rural municipality. One way to compare this would be that an assessment in a rural municipality would be anywhere from $2 million to $4 or $5 million. An assessment in a larger school unit would run anywhere from $20 million to $25 million. These board members have to travel—and I have had the pleasure of serving on both types of board—anywhere from 30, 40 and up to 50 miles to one meeting. When I served on a local municipal council I had to travel only ten miles to qualify for expenses, yet under the larger school unit act, or under the Alberta county system, I would have to travel a great many miles but would not be entitled to this exemption. I think this is merely a matter of the government's sitting down and taking a look at section 10(3) and bringing it up to date so as to cover, as was originally intended by the act, municipal corporations.

The hon. member for Kingston (Mr. Benson) gave the house a little more information, but I can tell him that in the larger school units in Saskatchewan the members of the board receive in the neighbourhood of $300 to $400 in a year—and I have had more than $500—as their indemnity and mileage combined. This is arrived at on the basis of a per diem of $15 a day for a maximum of 15 or 16 meetings, plus the mileage expenses of the individual member concerned. Our mileage rate is 11 cents a mile, and that also can be figured out on the

same basis. As I mentioned before, this is merely a case of the government sitting down and bringing the Income Tax Act up to date so as to keep abreast of the progress which has been made, in this particular case, in Saskatchewan under their larger school unit act. However, I feel it is an injustice to the members who serve on these boards.

In the same way as the hon. member for Medicine Hat has mentioned, we in the province of Saskatchewan were in the midst of setting up counties a year or two ago, and my interpretation would be that if these counties had been set up the members of the school boards would not be entitled to an exemption because they would come under the larger school units. In closing, I would like to say I hope the government and members of the house will support this notice of motion. If it would be of any assistance to the parliamentary secretary or to the minister, I would be only too happy to sit down and talk the matter over with them. Again I urge all members to support the motion.

Mr. J. E. Lloyd (Halifax): Mr. Speaker, I think one could almost say in one sentence all that needs to be said regarding the principle of this private member's notice of motion. We agree that there should be uniformity in the matter of exemptions to taxpayers in similar circumstances. However, when you stop to take a look at the drafting of an appropriate statute, and you take a look at the wide variety of arrangements that exist throughout Canada, you quickly see it is extremely important that some homework be done in the Department of Finance. I believe this homework will be done, as was suggested by the parliamentary secretary to the Minister of Finance a few moments ago.

I share the gratification expressed by other members of the house that this will be done, and I shall be watching the progress made in that direction. However, it is apparent it will be necessary to have some conversations with provincial departments of education. Further, before we come to formal passage of a motion of this kind, we must inquire whether the royal commission on taxation has undertaken studies with respect to exemptions. I believe hon. members will find that the commission has been looking with some interest at all exemptions.

It finally comes back to what I said at the outset, that there is a great deal of homework to be done because of the variety of arrangements between elected boards and appointed boards. In the city of Halifax we have one school board, yet within our school system we have a tradition whereby we have a parochial system, rather loosely put together but nevertheless very satisfactory to all concerned.

This system has been in operation for some hundred years, but there is only the one tax source. The city pays 85 per cent of the school budget and the remaining 15 per cent is paid in the form of provincial grants. Half of the members of the board are appointed by the province, and the other half by the city council of Halifax.

Those members of the school board who are elected members of the city council do not receive any remuneration from the school board, but those who are appointed by the province receive an honorarium of something like $300 per annum. Some people who are quite happy and anxious to serve on these large school units are not anxious to engage in the elective processes to either school boards, city councils, or county councils, and many of them even resent being paid for this kind of duty.

There is no doubt many of them are people in the higher income brackets, who feel they can afford to do this sort of thing, but they do not want to engage in other political activities. There is no doubt that because they are in the higher income tax brackets an exemption would be more valuable to them, but we have to take a look at the number of arrangements throughout Canada which would be involved in an extension of this particular exemption.

There are 12,000 school areas in Canada. One hon. member referred to Saskatchewan. I understand it has a more complex scheme, with large units divided into five or six sub-units, and the representatives to the large units are elected by the ratepayers of the sub-units. As in Alberta, there are also separate school boards.

Manitoba has a mixed system of large and small units, and the Atlantic provinces have been moving for some years toward a system of larger units. In the western provinces election of school trustees by ratepayers is the rule, whereas in the Atlantic provinces appointment of trustees by municipal councils or the lieutenant governors is more general.

Then we come to Quebec where we find that the Roman Catholic school administration is based on the parish, except in large centres, and the Roman Catholic school boards number about 1,500. Up to the present, and I understand this is subject to change under Quebec's bill No. 60, Protestant schools have local elected representative administration in rural areas, but larger units are also being organized. Trustees are locally elected, except in Montreal and Quebec city where the school trustees are appointed, the Protestant trustees

being appointed by the lieutenant governor and the city, and the Roman Catholic trustees by the lieutenant governor and the archbishops.

Ontario has 4,200 local school boards, including 700 separate school boards and 300 secondary school boards. There are also boards of education which look after both the public and the secondary schools. Most local rural school boards are elected by ratepayers. Rural district high school area boards are appointed by councils in participating areas, and secondary school boards are appointed. Now it becomes a nice question—

Mr. Olson: Would the hon. member permit a question?

Mr. Lloyd: Yes.

Mr. Olson: Is there really any difference between school board trustees being elected or appointed? Whether they belong to separate school boards or public school boards they all have some expense involved in the performance of their public duties, and should there not be some provision in the Income Tax Act to take care of these expenses?

Mr. Lloyd: I agree generally in principle, but if you look at the notice of motion it says:

> That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act, section (10) subsection (3) so that elected trustees of "larger school units" be entitled to the same exemptions of their regular indemnities for income tax purposes as those presently allowed to elected members of municipal corporations.

It specifically deals with elected members, and I was pointing out that because of the variety of methods by which trustees are elected and appointed, one should do some homework on the very point which the hon. gentleman raises. It may very well be that if you receive an honorarium from a school board, and if some portion is to be designated, the same as applies to municipal councillors, it should be generally applied regardless of whether you are elected or appointed.

Some will argue that the elected representative is under expense by virtue of the process through which he gets on the board, and because of this fact he should be granted an exemption. Some will argue this. Others will contend, as the hon. member has just done, that it really does not make much difference. But I think there is a difference between the situation confronting the person seeking election to a public office and that of one who does not have any expense by reason of being appointed by the governor in council or by some regional board, depending upon the arrangements in each province.

I can only conclude, Mr. Speaker, that there is an inconsistency in regard to the matter set out in the motion. Certainly the matter needs attention. We should not allow the situation to continue without investigating to see whether we can arrive at a uniform policy. I am glad, as I said earlier, that the parliamentary secretary proposes to undertake the essential homework to bring about a method more appropriate and more in keeping with the views expressed by hon. members today than would be the case if we passed this motion, because if we did so the impression might be given that it was the wish of the house that any such exemptions should be restricted solely to elected trustees of larger school units.

I have mentioned that perhaps there should be some consultation with the provincial authorities. If there is any field in which there seems to be great sensitivity, and with justification, it is that which involves the provision of educational facilities within a province. Certainly anything that has to do with inducing people to undertake duties by virtue of federal income tax exemptions in the performance of such duties is a matter which should be the subject of consultation with the provinces. It should not be a difficult matter to resolve, but I should like to see that done. I share the feelings of hon. members who have so expressed themselves that it would be a good thing for the parliamentary secretary to undertake the proper homework and bring in appropriate amendments. I do not think the royal commission needs to deal with such a matter unless it has been the subject of special reference to them.

Mr. J. J. Greene (Renfrew South): Mr. Speaker, I do not think there is any question that those of us who have served in the past on municipal councils or school boards, where most of us started our humble careers, are sympathetic with the subject matter and the understanding envisaged in the general tenor of this motion. In my view, if our free society is to work effectively, and possibly even to survive in the competitive world of today from the point of view of modes of government and modes of people determining their destinies, there is no question but that we certainly need a high level of participation by our people in our system of government, whether in the parliamentary field, local political associations or bodies such as school boards and municipal councils.

I believe the late President Kennedy put this premise better than any of us can when he said that a free society cannot survive if those who believe in that free society sit on the sidelines and merely watch the game. If there is any need today, not only in this country but throughout the free world, it is the need for participation in various aspects

of the public weal by the very best people we can possibly entice to undertake such efforts.

Far from the least of our needs is that in the realm of education. I do not know about the situation in other provinces. Our constitutional system being what it is, I am not too well versed in the manner in which education is administered in other provinces. In the province of Ontario the principle of local autonomy has been maintained to a very large degree throughout the years. However, in the province of Ontario we find that centralization is creeping into education more and more, be it for better or for worse, and that the principles of local autonomy, which have been the very basis of our education system since the days of Ryerson, are gradually being whittled away, with the result that in the not too distant future education may have a far more centralized focal point than has been the case in the past.

But so long as local autonomy is maintained to any degree in the educational system of Ontario, so long will there be a need to induce the very best and most capable people we can find to enter the field of education at the local level. This, of course, involves several spheres. Certainly from both a moral and an economic point of view we need to encourage the very best people we can to enter the teaching profession, on which rests to the largest degree the education of our young people. But at the administrative level also we need to do all we can to encourage the best people to take part as school trustees and in other fields of school administration, so that our schools will be well administered and so that the dollars and cents aspect of education will be adequately looked after.

So far as the teaching profession is concerned, which is essential to the future of education, I think there may be some troubles ahead. The teaching profession appears to be very disturbed today with regard to its future. The other day we heard the hon. member for Port Arthur (Mr. Fisher), who speaks so often and so loudly in the house, take umbrage over the fact that the teaching profession was disturbed at the present time because its members had been requested by the Department of Labour to fill out the cards associated with the coming pension plan. Apparently the Ontario teachers federation has taken a strong lobbyist stand in this regard. The hon. member felt that this was improper and that it was a tragic thing that the teaching profession should be taking this view.

I suggest that in taking this view the teaching profession was objecting to only one thing. As a profession I do not think its members have ever been loath to carry their weight or to fulfil their responsibilities to society in general. However, I believe that they are objecting to being treated differently from other professions. I think they are right in this stand. I do not believe there is any more noble calling or loftier profession than that of teaching, whereby the aspirations of tomorrow will be fulfilled if they are to be fulfilled.

I certainly disagree most emphatically with the hon. member for Port Arthur (Mr. Fisher) in this regard. There should be no distinction or no differentiation between the medical profession, the legal profession and the teaching profession in so far as the laws of this country are concerned, be they income tax, unemployment insurance or any other laws.

I think possibly the criticism of the hon. member was justified to some degree, but only in this regard—

Mr. Olson: I rise on a point of order, Mr. Speaker. I think the member has been directing his remarks during the last five or six minutes to a point which has no relevancy whatever to the notice of motion moved by the hon. member for Moose Mountain.

Mr. Greene: Speaking to the point of order, I would point out that the relevancy of my remarks is in this vein: I maintain I am attempting to establish the point that there are two facets to the question of education, the trustees on the one hand—that is the administration—and on the other hand the teaching profession. I am attempting to establish the point that on these two aspects of the problem of education, particularly teaching, rest the future effectiveness of education.

In that regard, Mr. Speaker, I am merely saying that in so far as the teaching profession is concerned, which is one aspect, I think it should be pointed out that contrary to some opinion there has been no attempt made by this house under the unemployment insurance regulations to include the teachers. There was a suggestion of this type made in the Gill report, but any qualms the teaching profession may have in this regard are unfounded. In so far as this government or this house is concerned, we have not treated them in any way differently from any other profession. I do not believe the day will come when this government or this house will see fit to do so, even though the Gill report may have suggested it. I do suggest that in so far as the teaching profession is concerned, this house has maintained its respect for the profession and has legislated in no way that would diminish the honour of that profession.

Now, in so far as the trustees are concerned, if I may be permitted to turn to that specific aspect of my hon. friend's motion,

I would say that apparently he is concerned about the trustees of the larger school units. I look somewhat askance at my hon. friend because normally I would have thought he would have been somewhat concerned with the larger and bigger, but also with the smaller and humble. I do believe this party professes to speak not so much for Bay street as for the little man. I am somewhat surprised to see that his motion refers only to the larger school units and, in particular, to those trustees who are apparently elected to school units rather than appointed, as is the case in the smaller areas.

In the part of the country from which I come, school boards are of two types. Some boards are elected and some of them are appointed. District schools, which today I think are generally accepted as important throughout Ontario, are the trend today. I have recently had occasion to see something of the school question in Manitoba. In that province I think the trend is to centralize the district schools and bring the boy or girl from the country into the larger school units in those areas. In Ontario, certainly in eastern Ontario, the area school trustees are appointed by the local council and by the local school boards, separate and public, to serve on this area school board.

The problems of these area school boards I assure you, Mr. Speaker, are certainly not less, and in fact in a very large measure are far greater than those of the elected school boards. Where urban and rural areas are concerned, the problems are different. Frequently there is difficulty with the problem of equalization of assessment in these areas. I know of no more difficult area of public service than service on one of these area school boards. I know these men sit many nights during the month into the small hours, and they have all the problems connected with running very large business entities, because these school boards are big business.

In my own town of Arnprior, which is a town of some 5,500 people, the high school has an enrolment of nearly 1,000 boys and girls. I think this points up the fact that those who serve on these school boards, and who serve as teachers, have very important work, and that those who serve on these appointed school boards have work that is just as important as those who are elected representatives. While I agree most wholeheartedly with the general principle of this resolution, I should be most remiss in my duty to those people who serve on the school boards in my area if I did not insist that if any consideration is to be given in respect of income tax deductions, as suggested by the resolution, it should be given not only to those who are elected but also to those who are appointed to serve on school boards. It may be that if our energies are directed toward this problem, we should see that all school boards will be treated equally.

The Acting Speaker (Mr. Batten): I should advise the house that the hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the house leader what the government proposes for tomorrow, Friday and Monday.

Mr. Favreau: Tomorrow we hope to complete the study in committee of the electoral boundaries bill, and if there is time left, as I hope there will be, we will take the resolution introducing the Post Office Act amendment. On Friday, we will have a study of estimates, and agriculture is the proposed subject.

As I have not seen the house leaders of the parties about Monday, Tuesday and Wednesday, I can give them notice that for the moment, subject to further discussion, it would be our intention to take budget resolutions, beginning with customs, then income tax and estate taxes on Monday.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, April 23, 1964

The house met at 2.30 p.m.

HOUSE OF COMMONS

GOOD WISHES TO PRIME MINISTER ON BIRTHDAY ANNIVERSARY

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, while the rules may not allow me to rise at this time I hope that the house as a whole will permit me on behalf, I am sure, of all hon. members to extend to the Prime Minister (Mr. Pearson) warmest good wishes on the occasion of his sixty seventh birthday.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: With it I couple the hope that he will have many more years of health and happiness.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I wonder if I may add to the words of the right hon. Leader of the Opposition by saying that the members of this party join with him and his party and with all members of the house in extending to the right hon. Prime Minister our best wishes on his birthday. We hope he will have the good health to enjoy many more such days. May I say that this occasion is rather significant because today is also the birthday of Shakespeare, St. George and the Governor General of Canada, which ought to make it a very auspicious day for Canada.

Mr. R. N. Thompson (Red Deer): It is a pleasure for me on behalf of this party to offer our very best wishes to the Prime Minister on this, his birthday. I suppose many of us remember the day more specifically because it is St. George's day, when goodness traditionally triumphed over evil.

Some hon. Members: Hear, hear.

Mr. Thompson: I think in the events that are taking place today my birthday list has become mixed. Thus my gift has gone to the leader of the official opposition instead.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, on behalf of our group I should like to extend to the Prime Minister (Mr. Pearson) our best wishes on the occasion of his birthday.

I want to take this opportunity to underline the important achievements of the Prime Minister as far as recognition of the groups which make up our country is concerned. Never in the history of Canada, in my opinion, has a Prime Minister so efficiently and effectively taken a stand on the recognition of the two main ethnic groups of our country, the French Canadians and the English Canadians.

Our opinion may differ from that of the Prime Minister on many occasions, Mr. Speaker, but that does not prevent us from seeing in him a great Canadian. I hope he will be with us for a long time.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I should like very sincerely to acknowledge with gratitude the kind words of the Leader of the Opposition and the leaders of the other parties. Those words remind us that there are personal friendships and personal good will which know no party boundaries. I am, as I believe each of us is, a beneficiary of this spirit of parliament. Political life is difficult, but it would be infinitely more difficult if we did not have these amenities, and I am grateful for the kind words which have been said to me on my birthday. But, Mr. Speaker, I confess that the last birthday seems an awfully long time back.

PRIVILEGE

TRANSFER OF MEMBERS FROM SOCIAL CREDIT TO CONSERVATIVE PARTIES

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, I rise on a question of privilege which will, I am sure, interest the entire house.

Following some pressures by the organizers and electors of my constituency who, as I did, had put their faith in the Social Credit party which has fallen to pieces on account of its internal quarrels and its hopeless strife; following the hesitations, the reversal of policies, the weakness of the Liberal party in the face of vital problems such as the survival of confederation, unemployment and agriculture; following the Lesage-Pearson deal which clearly proves that the provincial claims have been pushed aside for a political bargaining meant to save the Grits in Ottawa and in Quebec; following the trust put by his party in the hon. member for Three Rivers

(Mr. Balcer) whom I have learned to respect for a long time for his courage as well as for his restraint, I have offered my services and my co-operation to the Conservative party—

Some hon. Members: Hear, hear.

Mr. Girouard: —and I ask Your Honour for permission to change seats in this house as soon as possible.

Mr. Gerard Ouellet (Rimouski): Mr. Speaker, I rise on a question of privilege.

I find myself in the same political situation as the hon. member for Labelle (Mr. Girouard) and, for the same reasons put forth by my colleague, I am asking for the same privilege.

[*Text*]

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I rise on a question of privilege—

Some hon. Members: Oh, oh.

Mr. Winkler: —but before I go into the detailed subject matter I too should like to extend to the Prime Minister my sincere felicitations on his birthday. I would ask, Mr. Speaker, that the following members be recognized in accordance with the changes that have been made today: Mr. Danforth, M.P. for Kent, Ontario, at desk No. 180; Mr. Slogan, M.P. for Springfield, at desk No. 235; Mr. Webb, M.P. for Hastings-Frontenac, at desk No. 236; Mr. Girouard, M.P. for Labelle, at desk No. 237 and Mr. Ouellet, M.P. for Rimouski, at desk No. 238.

Mr. Speaker: In accordance with the request of the hon. member I would ask the Clerk to take note of the seat changes.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I rise on a point of order concerning the two questions of privilege raised. I would ask that the statement made by both members be referred to the committee on privileges and elections. Following the assertions made by the hon. member for Labelle (Mr. Girouard) at the time of the split within the Social Credit party, he had stated that a member cannot cast off his allegiance to a political party unless has has been elected as such in an election. I am asking therefore that the subject of the two questions of privilege be referred to the committee on privileges and elections.

[*Later:*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I rise on a very important personal question of privilege. For the same reasons given by the hon. members for Labelle (Mr. Girouard) and Rimouski (Mr. Ouellet), I should like to ask Your Honour for the privilege of not joining the ranks of the Conservative party.

[*Text*]

Mr. Speaker: Order. Naturally I have only been advised very recently of the suggested changes, but I have had an opportunity of looking into the precedents very quickly. There are two precedents which I need not discuss but simply mention the names. Mr. Argue was one and Mr. Thatcher was another. In both cases no discussion took place after the announcement of the change of venue, so to speak. Therefore in the present case I suggest that the point of order raised by the hon. member for Lapointe is not a point of order, and consent has already been given to the suggested changes in the seating.

LABOUR CONDITIONS

WINTER WORKS PROGRAM—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, under standing order 26 I move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely the extension of the winter works program in designated areas.

Mr. Speaker, standing order 26 states that in order to move the adjournment of the house, a definite matter of urgent public importance must be involved. The matter I wish to have discussed today is extremely definite and restricted, namely the extension of the winter works program in designated areas.

The Minister of Finance (Mr. Gordon) in his budget speech, which is the most important speech of the year, stated—

[*Text*]

Mr. Speaker: Order. It is very difficult for the Chair to hear the arguments. Could we have a little more order?

[*Translation*]

Mr. Gregoire: The Minister of Finance stated in his budget speech—that is the most important speech—as reported in *Hansard*, at page 970, left hand column:

> Our first goal is high level employment.

And at page 972, left hand column, at the top of the page:

> Our plans and policies are designed to meet the special needs of areas of the country or groups of the population confronted with special difficulties and problems.

The situation itself proves that the matter is important, since the Minister of Finance

himself recognizes that this is the primary objective of the Canadian government, and duty of the opposition is to help the government achieve this objective.

Third, the matter is national in scope and of general interest, since it concerns 35 designated areas and will also help to balance the situation for the areas and for the people, along the lines advocated by the Prime Minister and the present government, who have always hoped for it and who have devoted their energies toward a greater unity and a better national understanding. In addition, that will put an end to the discrimination that prevails in various regions of the country because weather conditions differ. The most beautiful regions, with the best weather conditions have the highest employment rate, whereas the regions where the weather conditions are harsher in winter have the highest unemployment rate. Those are the regions where unemployment is most severe and they are precisely the areas designated by the Minister of Labour (Mr. MacEachen).

Moreover, Mr. Speaker, it is a very urgent matter since today is the 23rd of April and the winter works period is supposed to end on April 30, which means that there are only seven days left to solve that problem.

Furthermore, we will have no other opportunity to discuss the matter prior to April 30, and after that date it will be too late.

Mr. Speaker, I submit that this motion meets all the requirements of standing order 26, for it deals with a definite matter, the most important we have to discuss. Furthermore, and the Minister of Finance admitted it in his budget speech, it is of general interest, national in scope and extremely urgent, since the winter works period will expire soon and we will have no other opportunity of discussing this matter.

This motion also meets all the requirements of paragraph 6 of standing order 26. Therefore, I move, seconded by the hon. member for Villeneuve (Mr. Caouette), that the proceedings of the house be adjourned in order to discuss a definite matter of urgent public importance, namely the extension of the winter works period beyond April 30 in designated areas.

[*Text*]

Mr. Speaker: Order, please. I have to decide whether the general proceedings of the house should be adjourned in order that an urgent matter may be discussed under standing order 26. I may say right at the beginning that the hon. member has presented a very interesting case, but what was contemplated by standing order 26 was the occurrence of a sudden emergency. In this connection I would refer the hon. member to Beauchesne's fourth edition, paragraph 8, citation 100 at page 91.

This is a problem which was existing last Monday and Tuesday, when a supply motion was before the house, and it seems to me an opportunity was given then to discuss the matter at length.

Mr. Gregoire: No.

Mr. Speaker: In any event, I must decide according to my best judgment that the house should not be adjourned under standing order 26 at this time, and that in consequence the motion moved by the hon. member for Lapointe and seconded by the hon. member for Villeneuve should not be received.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, we are most respectful of the ruling you have just made; nevertheless, we consider that the situation is urgent, and as you have stated, it has been in existence for the last week, during the present week and it will still exist in a year or two. Hence, the hon. member for Lapointe introduced a resolution that you declared out of order, and it is my duty to appeal against Your Honour's ruling because I consider the situation is an absolutely urgent one since the winter works program will be terminated within a week in sections that have been designated as underdeveloped areas throughout Canada.

I, therefore, appeal against Your Honour's ruling.

[*Text*]

Mr. Speaker: In answer to the hon. member I must recall the following to his attention, and I shall read it very slowly so that all hon. members, I hope, will agree.

Hon. members will recall that on April 7, 1964, at page 1845 of *Hansard*, the house sustained a ruling of the Chair to the effect that there was no appeal from a decision made by the Speaker under standing order 26. The house having already taken a decision on this matter, it is my view that it cannot be questioned again during the current session and must stand as the judgment of the house. In this regard I wish to refer hon. members to May's sixteenth edition at page 400, Bourinot's fourth edition at page 328 and Beauchesne's fourth edition citation 200(1). For the above reason I cannot permit this appeal.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I want to refer to another precedent and bring in several other quotations in support of my right to appeal against your ruling.

[*Text*]

Mr. Speaker: Order, please. Under the standing orders given to me by all hon. members of the house, I must exercise my jurisdiction and say there is no appeal from that decision.

[*Translation*]

Mr. Gregoire: Mr. Speaker, we appeal on the right to appeal against Your Honour's ruling. Such a right has always been recognized, since Your Honour has even taken the vote of those who—

[*Text*]

Mr. Speaker: I would like to call to the hon. member's attention Beauchesne's fourth edition, citation 200, paragraph (1).

An old rule of parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the house".

It seems to me that the Chair has given a full and detailed explanation, and I must ask the hon. member to accept the decision of the Chair.

[*Translation*]

Mr. Caouette: Mr. Speaker, we cannot accept that. If the unanimous consent of the house is required for this, such consent does not exist. I appeal against your ruling on the ruling you have just made, no matter what the parliamentary jurisprudence may have been in the past.

The winter works problem is urgent and we want the question to be put to the vote. We appeal against your ruling on this specific point.

[*Text*]

Mr. Speaker: The hon. member is not appealing my decision, as stated in that way; he is appealing the decision rendered by all members in this house on a matter which has been put to the vote and decided by the members in the house. That decision I am applying this afternoon, and that decision I am not going to change.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I rise on a question of privilege concerning our right to appeal against your rulings. In this regard I should like to quote the remarks of the hon. member for Essex East, the Secretary of State for External Affairs (Mr. Martin)—

[*Text*]

Mr. Speaker: Order, please. The hon. member has heard the reasons given, which are good, logical reasons adopted and accepted by members in this house. That is the decision of the house. I am sure the hon. member is not going to force me to take action which I do not want to take. I am going to call orders of the day. The hon. member for Port Arthur (Mr. Fisher).

TRADE

U.S. EXPORT CONTROLS ON TECHNICAL DATA

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Minister of Trade and Commerce a question. It is based upon the fact that the United States government, through the department of commerce, has issued an order adding specifications and drawings to their export control list. I want to ask the minister whether he has had any indication that this is going to cause concern to Canadian subsidiaries of United States companies; and if so, what action is his department taking in the matter?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, as the hon. gentleman has said, there has recently been a change in the United States regulations with respect to export controls on technical data. We are concerned about this matter. We have not had any representations from industry as such, but we are concerned as a government and we intend to discuss this with the United States cabinet secretaries when we meet them next week.

REDISTRIBUTION

REQUEST FOR TABLING OF CONSTITUENCY MAPS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Secretary of State. Is the minister prepared to table any maps prepared by the representation commissioner under section 8 of the Representation Commissioner Act, for reference during the debate on the redistribution bill?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I would ask the Minister of Transport, who has been responsible for the legislation which is now before the house, to deal with this question.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I would like to give some consideration to the question raised before making an answer. I am sure the hon. gentleman would consider that reasonable.

Mr. Aiken: Mr. Speaker, if the minister has time to consider this matter before ten o'clock tonight, I would give notice that I intend to raise this question at that time.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. When the minister answers that question, would he be kind enough to disclose how many maps are in existence and whether the maps under this act are actually maps drawn of constituency boundaries?

Mr. Pickersgill: Mr. Speaker, since this act was passed I have studiously refrained from discussing this question of the existence of maps with the representation commissioner. I have seen none, but I will inquire of him during the day—I am sure there is no secret about it—and I will be glad also to answer that question at ten o'clock.

Mr. Woolliams: A further supplementary question, Mr. Speaker. Does the minister suggest that there has been no communication, in reference to a number of maps drawing constituency boundaries in this country, between himself and the chief electoral officer of Canada?

Mr. Pickersgill: There has been none, because unhappily that office is vacant. The hon. gentleman means the representation commissioner.

Mr. Woolliams: Yes, the representation commissioner.

Mr. Pickersgill: I will answer the question the hon. gentleman intended to ask. I am quite well aware—so is the hon. member and so are a great many other hon. members on the other side of the house—that the representation commissioner has been diligently doing what under section 8 of the act passed by this parliament he was charged to do, and the representation commissioner told me that he was making progress with these matters. But since the day that act was passed I have made no inquiries on my own as to what maps there were. I have seen none of them. I thought it was none of my business; it was the business of the representation commissioner, and I have had plenty of other things to concern myself with, without trying to do other people's work.

Mr. W. H. A. Thomas (Middlesex West): A supplementary question, Mr. Speaker. Would the Minister of Transport agree that the production of such maps, if they exist, would be of great assistance to hon. members in debating this redistribution matter?

Mr. Pickersgill: That is a matter, sir, on which I do not think I have to agree or disagree. Each hon. member has his own intelligence and is capable of making up his own mind as to what assistance he needs in debate.

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I have a supplementary question. Could the Secretary of State tell the house whether he has seen the cards in question?

Mr. Lamontagne: No, Mr. Speaker.

[*Text*]

PENSIONS

CANADA PLAN—INQUIRY AS TO CONSIDERATION THIS SESSION

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Prime Minister.

Can he assure the house that the new national pension plan will be brought forward during this session?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): We expect that to be the case, Mr. Speaker. As soon as we can get the constitutional amendment through—and we are going to proceed with that matter without delay—and the changes that will be required in the bill as it is drafted at present, we will go ahead with that matter.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. May I ask the Prime Minister whether the government is consulting with civil service organizations concerning the integration of the Canada pension plan with civil service pensions in such a way as to prevent civil servants from getting the full benefits of the Canada pension plan?

Mr. Pearson: There have been discussions with representatives of the civil service.

[*Translation*]

Mr. Real Caouette (Villeneuve): A supplementary question, Mr. Speaker. Can the Prime Minister tell us whether the agreement reached between Ottawa and Quebec respecting the Canada pension plan contains a provision allowing a province to change the contributions or the benefits without obtaining beforehand the consent of Ottawa and the other provinces?

[*Text*]

Mr. Pearson: The agreement is that there will be a universal pension scheme the provisions of which will be applicable to all Canadians.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): By way of a supplementary question, Mr. Speaker, may I ask whether there has been any consultation with other pension plan holders with a view to integrating the pension plans that they have. Take, for instance, the railway employees; they are quite seriously aroused over this plan, and they and the holders of pensions under many private plans are very anxious to know what is the position with regard to integration, and generally whether the new plan will in any way place them in an invidious position.

Mr. Pearson: Mr. Speaker, I can give my right hon. friend the assurance that the new plan will not place the private pension plans in an invidious position; and there will be discussions with private plan organizations, with a view to integration, as soon as that can be done.

Mr. Diefenbaker: Mr. Speaker, I would like to ask the Prime Minister what he has in mind in that connection to assure the fullest discussion and consultation with those who are in receipt of or who expect to receive pensions under private plans.

Mr. Pearson: Mr. Speaker, I can give the right hon. gentleman the assurance that there will be full discussion, and also that this matter can be discussed by the parliamentary committee. Those who are worried about the relationship of private plans to the federal legislation can appear before the committee, and will, I hope, receive assurances from that committee.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, a supplementary question. I would ask the Prime Minister whether, in view of the provisions of section 94(a) of the British North America Act, which emphasize the dominant position of the provinces in the field of old age pensions, the constitutional amendment referred to last Monday by the Prime Minister will include a provision to shift supremacy to the federal government so as to prevent any province or provinces from legislating their people out of any national pension plan at any time in the future.

Mr. Pearson: Mr. Speaker, I cannot give a reply to that specific constitutional question, except to say that the amendment will be made after consultation with the provinces, and I think will meet all the points required.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question of the Prime Minister. Has he had sufficient replies from the provinces to indicate that there will be unanimous support for the plan which he outlined to the house last Monday?

[Mr. Pearson.]

Mr. Pearson: Mr. Speaker, we have not had replies from all provinces. I am not sure whether we have had one from Saskatchewan, as well as one or two other provinces; but so far as the replies have been received, they have all been favourable to the arrangement and we are continuing discussions with the provinces on the details.

FISHERIES

NORTH PACIFIC COMMISSION—INQUIRY AS TO THIRD MEETING

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of Fisheries a question relating to the third meeting of the north Pacific fisheries commission which is scheduled to take place here in Ottawa among Canada, the United States and Japan. I wonder whether the minister will tell us when this meeting will be taking place.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, no final date has been set but the matter is under discussion now, and has been for some time, with the two countries involved, the United States and Japan, with a view to having this meeting at the earliest possible date.

HOUSING

DATE OF PAYMENT OF WINTER CONSTRUCTION BONUS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Labour. I wonder if the minister could advise the house when those who are entitled to the $500 winter house building bonus may expect to receive their cheques.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, these persons are eligible to receive their cheques just as soon as the certification inspections have been completed and application forms have been sent to the Department of Labour following that certification.

EXTERNAL AFFAIRS

CYPRUS—PERIOD OF SERVICE OF CANADIAN TROOPS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I should like to direct a question to the Prime Minister. I should even say it is a question of privilege since it concerns Quebec wives and mothers.

Have our soldiers been sent to Cyprus for a determined period of three months, ten months or a year, or will they remain on the island for an indefinite period of time?

In their letters, mothers and wives want to know exactly how long their husbands or sons, as the case may be, will remain in Cyprus.

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the stand-by force which was sent to Cyprus consisted of members of the regular armed forces of Canada. They were sent there for an initial three month period with the clear understanding from the government that they will remain there and serve as long as required during the emergency.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): A supplementary question, Mr. Speaker. Could the Minister of National Defence tell us whether he intends to replace the men presently stationed in Cyprus after a period of three months?

[*Text*]

Mr. Hellyer: No, Mr. Speaker, I do not think that is a practical suggestion. Besides, I have infinite confidence in the Royal 22nd regiment and in the excellent job they are doing there.

[*Translation*]

Mr. Caouette: Mr. Speaker, I should like to put a supplementary question to the Minister of National Defence.

When our Canadian soldiers were sent to Cyprus, was it understood that they were going for a three month period or did they know whether, following a decision made subsequently, they would stay there as long as necessary?

Could the minister advise us on this matter?

[*Text*]

Mr. Hellyer: In that sense, Mr. Speaker, there was no definite period. It was well understood that they would remain as long as they were required to be there for the emergency.

Mr. Caouette: Before they left Canada?

Mr. Hellyer: Yes.

CYPRUS—INTERFERENCE WITH CANADIAN MEMBERS OF PEACE KEEPING FORCE

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): The Leader of the Opposition inquired yesterday whether a report had been received from the United Nations on an incident in Cyprus to which he referred. I may say that the secretary general's office has now received a brief interim report on the situation; it confirms only that some shots were fired but that no casualties or damage was suffered. The secretary general's office anticipates receiving within 24 hours a full report after the investigation has been completed, and I will give that information to the house as soon as it is received.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): As we now have an acting high commissioner in Cyprus in the person of the ambassador to Israel, has any direction been given to him to communicate with President Makarios in this regard so that assurances may be obtained from the president?

Mr. Pearson: This is, of course, a somewhat complicated question in that the Canadian contingent is a part, and only a part, of the United Nations force, and for this reason we make our communications concerning our part in that force to the United Nations and through the United Nations to the commander of the force, and through the commander of the force to the government of the country in which the force is operating. That is the correct procedure. We do have a diplomatic representative in Cyprus, however, and on appropriate occasions I agree that we should not hesitate to use that channel of communication with the government of Cyprus, subject to our obligation to the force and to the United Nations and its channels of communication.

Mr. Diefenbaker: Subject to our obligation to the United Nations, does the Prime Minister not agree, in the circumstances, Cyprus being a commonwealth country, that our high commissioner there should be in a position to communicate, and should communicate, with President Makarios; because after all it is Canadians who have been subjected to injustice, if not worse.

Mr. Pearson: I would not like to accept that suggestion without evidence, that Canadians in the force are subject to any other kind of treatment than are other members of the United Nations force on the island. But I do agree that as Cyprus is a country within the commonwealth, and its government is a commonwealth government, our representative there should keep in close touch with that government.

AGRICULTURE

ARDA—DELAY IN PROCESSING APPLICATIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the

appropriate minister in connection with ARDA, but I am a little foggy as to which minister I should address the question. My question is: As a result of the administrative seesawing with respect to ARDA, has there been any delay in the development of programs and the study of proposals presented to the government, or in the processing of agreements?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker—

Mr. Speaker: I suggest that this question be put on the order paper for a detailed reply.

Mr. Herridge: Mr. Speaker, I give notice that this question will be taken up at ten o'clock.

NATIONAL DEFENCE

GREY AND SIMCOE FORESTERS—CONTINUATION AS MILITIA UNIT

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to ask this question of the Minister of National Defence; I have given him notice. Will the minister assure this house that the Grey and Simcoe Foresters will continue as a militia unit in Canada?

Mr. Speaker: I do not know whether the minister is prepared to answer that question.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, it would be impossible to give any specific assurance until after the Suttie commission has reported its findings and we have had an opportunity to study its report.

ROYAL CANADIAN AIR FORCE

PENSION BENEFITS TO OFFICERS TO BE RETIRED

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of National Defence. Can he inform the house when he intends to announce the details of pension settlement benefits with respect to the 500 officers in the air force who are being laid off?

Hon. Paul Hellyer (Minister of National Defence): Just as soon as they are agreed upon, Mr. Speaker.

LABOUR RELATIONS

MARITIME UNION TRUSTEES—APPEARANCE BEFORE HOUSE COMMITTEE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Labour a question concerning the great lakes trusteeship. In view of the interviews given yesterday by Mr. Millard to newspapermen, I wonder whether the minister would consider approaching the trustees again to see whether they would be willing to give the same kind of access to their views to the House of Commons committee on labour relations.

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker, I would be glad to raise the question again with the trustees.

AIRPORTS

ST. HUBERT, QUE.—USE BY CIVILIAN AIRCRAFT

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): I am putting my question to the Minister of Transport —Mr. Speaker, I am sorry, but the minister did not hear me at all and yet he understands French well.

Could the minister tell us if private aircraft will have access to St. Hubert airport and if talks are going on in this connection between the Department of National Defence and the Department of Transport?

[*Text*]

Mr. Speaker: Order, please. This question is surely one for the order paper.

COMMONWEALTH RELATIONS

SOUTHERN RHODESIA—INVITATION TO PRIME MINISTERS' CONFERENCE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister? Is the Canadian government being consulted concerning the request by Southern Rhodesia for an invitation to attend the commonwealth prime ministers' conference, and can the right hon. gentleman give us the government's view on this matter?

Some hon. Members: Order.

Mr. Speaker: I regret that I did not hear the whole of that question; therefore I must leave it to the Prime Minister whether he wishes to answer or not.

Some hon. Members: Oh, oh.

Mr. Knowles: Did the Prime Minister hear it, or would he like me to ask the question again?

Right Hon. L. B. Pearson (Prime Minister): Yes, I heard it. We have not been approached by the government of the United Kingdom in connection with this matter as yet.

Mr. Knowles: A supplementary question, Mr. Speaker. Is it the general practice for

other members of the commonwealth to be consulted on matters of this kind?

Mr. Pearson: Yes, and I assume they will be consulted in connection with this matter.

TRANS-CANADA HIGHWAY

MONTREAL—INQUIRY AS TO CHANGE OF ROUTE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a question for the Minister of Public Works, who is responsible for the trans-Canada highway construction.

Could he tell the house whether the trans-Canada highway route will be changed in eastern Montreal to satisfy more particularly the people of Maisonneuve-Hochelaga?

Mr. Gregoire: Order paper.

Mr. Pigeon: Mr. Speaker, I would ask that my question be transferred for debate at ten o'clock tonight.

[*Text*]

It is a very urgent question, Mr. Speaker.

GRAIN

WHEAT, OATS AND BARLEY—INQUIRY AS TO OPEN QUOTAS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): I have a question to direct to the Minister of Trade and Commerce. Could the minister advise the house whether the Canadian wheat board will be able to provide an open quota for wheat, oats and barley by the end of the present crop year?

Hon. Mitchell Sharp (Minister of Trade and Commerce): I should think the wheat board will not be in a position yet to answer that question, but I will make inquiries.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to ask the Minister of Northern Affairs and National Resources whether he has yet received any further information with respect to the intentions of the government of British Columbia in connection with the tidal wave disaster on the west coast of that province.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): We have received no request from the government of the province of British Columbia, but I am informed that Mr. Wallace, who is the deputy minister of welfare, is now on the way to Ottawa with some figures, though I believe they will be incomplete.

REDISTRIBUTION

PROVISION FOR BOUNDARIES COMMISSIONS AND READJUSTMENT OF REPRESENTATION

The house resumed, from Wednesday, April 22, consideration in committee of Bill No. C-72, to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith—Mr. Pickersgill (for Mr. Pearson)—Mr. Lamoureux in the chair.

On clause 6—*Appointment of chairman, etc.*

Mr. Aiken: Yesterday, when the committee rose, I was pointing out that redistribution has definite political results and that no one can prevent such results occurring.

Since Governor Elbridge Gerry became famous for it some 150 years ago, the only real danger in redistribution has been the danger of favouritism toward the government in power. I think that so-called gerrymandering over the years has always been the case of a government in power facing accusations, often well founded, of adjusting the boundaries of a riding for its own benefit. I think the danger we have to face is this danger, and I believe that is why the government in the present bill has attempted, as did the previous government in the course of a somewhat similar proposal, to remove the question of redistribution from politics.

I ask why it is that having proposed a method of appointing commissioners which seemed fair at the time, and which was acceptable to the official opposition, the government should now favour another method. Is it simply because the official opposition favours it, or is it because the government has discovered an advantage in the new proposal? With all due credit to the Minister of Transport, who accepts paternity for drawing up this bill, I do not believe he would have drawn up one of the most basic clauses in this measure without consulting with the Prime Minister and his colleagues. I ask him—and this is a rhetorical question—why the change? It certainly is enough to make an opposition party very suspicious.

The object of the bill is to have a fair and equitable redistribution without favouring the government party. Furthermore, we want to accomplish this political task, which parliament apparently finds too difficult to handle

itself, without leaving the smear of partisanship on those who do it. This is the whole point of my argument today, and this is the whole reason I support the original draft. I hope I can express my reasons clearly.

Every boundary change has political results due to traditional voting patterns. To say otherwise, of course, is incorrect. This is more than merely changing the geography; it is political. It is just so much nonsense to say that the commission can be or ought to be insensitive to the political results of their decisions. In my view the whole point is that they must not be insensitive to the results of their decisions.

If the commissions were given clear directions, a precise formula or tolerance they were bound to follow in changing riding boundaries, perhaps they could operate within this pure vacuum of a mathematical or similar formula that we might create for them. We do not give them this formula, and I do not know how we could. We give them very broad directions that they are to take into account geographical locations and so forth. They will have to do the best they can, and they have an outside tolerance beyond which they should not go. How can they avoid trouble? I do not believe they can. The very first thing that a commission has to decide, for example, is how many seats the province they are concerned with is entitled to under the British North America Act.

Mr. Pickersgill: They do not decide that.

Mr. Aiken: The Minister of Transport says they do not decide that. I should like to know who does.

Mr. Pickersgill: If the hon. gentleman will read the act passed at the last session of parliament he will see it is set out right in that act.

Mr. Aiken: Mr. Chairman, I cannot accept that statement, because the B.N.A. Act is capable of interpretation in several ways. I am advised that one or two cases it is capable of different interpretations. However, I am not making this a point. I am just saying this is an example. Suppose the commissions in each of the 10 provinces decide on a somewhat different basis as to what should be the total number of seats in the particular province. Where are we then? I think this is a difficulty, but it is not the main difficulty on which I base my argument.

It is logical that we must do three things. First, we must remove any lingering suspicion that the fine hand of the government is behind decisions on boundaries. We must remove this suspicion regardless of whether or not any such fine hand is involved. Second, we must remove any suspicion that the commissions will be mere rubber stamps for plans prepared under government supervision or at least under supervision of an official. We must remove suspicion that there will be a closed door behind which these commissions will work, and we should require that a member be admitted who is adverse to the interests of the government with respect to redistribution in order to see what is going on in these commissions.

I am not raising any question about the propriety of the actions these commissions will take. I know they will start out to do a good job. But we must not only see that redistribution is fair; it must appear to be fair, and it must be accepted as such or we will put these public officials, particularly the judges, in a difficult position.

I should like to look for a moment at the two proposals before us regarding the composition of the commissions. In both cases the chairman will be a superior court judge and the second member will be the representation commissioner. With this I entirely agree, but I ask this question. Why do we all agree on the choice of a judge? The answer is that judges are accustomed to hearing evidence and coming to a logical and fair conclusion after hearing the various views. Second, we favour a judge because he, being appointed for life, has no political interest to serve. He is able and trained to act without fear or favour in the result. But how can a judge decide without having opposing views to consider or any views to consider?

The representation commissioner, like the judge, is going to be objective and impartial. This has to be his job. Is it up to the representation commissioner to point out to the judge chairing the commission the political consequences of every riding change and the political consequences of the whole plan? Surely this is not the job of the representation commissioner. He is not political, and surely it should not be the representation commissioner who should go to the chairman of the commission and say "If you move this one over, there is a big group of Conservatives there and they will benefit; or if you move that line farther north there is a group of Liberals there who will benefit". Surely this is not the job of the representation commissioner. Certainly it is not the job of the judge.

Mr. Pickersgill: Or of anybody else.

Mr. Aiken: He is supposed to be impartial and I am sure he will be. So I say that the representation commissioner cannot put forward any political views to the commission. The Minister of Transport has just said that

nobody should consider the political consequences of these changes. I agree with him that nobody should, but it is impossible to do this job without considering the political consequences. It is impossible to do so. They are tied as closely to the job of redistribution as the peel is to the orange, and cannot be separated from it. That is why we are divesting ourselves of the job. Anybody with a mathematical mind could draw lines on a map. Anybody with a mathematical mind could take the riding boundaries and say "We will take a little off here and make the riding square; it will look better square". This would be the result. Therefore we cannot accept that no politics are involved. We cannot accept that redistribution must be done in a vacuum. We are giving the job to a judge, the representation commissioner and two other people. When we give it to them we expect them to consider the facts and they have got to consider the political consequences.

Mr. Pickersgill: I wonder whether the hon. gentleman would permit a question.

Mr. Aiken: Yes.

Mr. Pickersgill: Is the hon. gentleman saying that the other two commissioners should not be just as non-partisan and independent as the judge and the representation commissioner?

Mr. Aiken: Mr. Chairman, I am saying that one of them must represent a political viewpoint opposed to that of the government.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Would the hon. gentleman—

Mr. Aiken: May I finish this point. I hear a great chorus of objections. I cannot believe and I do not know of anyone here who can believe that this job can be done in a vacuum, who can say that political consequences have nothing to do with the matter and they must not be considered. The commissioners are going to be made aware of the political factor surreptitiously. Let us be honest about it. Somebody is going to whisper. The judge, the representation commissioner and the other two members are going to wonder about it themselves. They are going to wonder what the result is going to be of changing a boundary. They will say to themselves "Somebody has told us it would be a good idea to move this boundary this way. Now, we know it is going to take in 1,000 more people and it is going to bring that constituency up to the limit. What is the result going to be? Will it scuttle a Conservative member or a Liberal member?"

Some hon. Members: Oh, oh.

Mr. Aiken: It is impossible to deal with it otherwise.

Mr. Pickersgill: Will the hon. gentleman permit me to ask him a question?

Mr. Aiken: Yes.

Mr. Pickersgill: The Conservative government of Ontario has established a commission, which is in existence now, consisting of a high court judge, the chief electoral officer of that province and a professor from Queen's University. It was established under the aegis of Mr. Frost who I thought, at one time, was rather admired over there. I should like to ask the hon. member for Parry Sound-Muskoka which one of these three commissioners represented the Tories and which one represented the Liberals, if I follow his argument correctly.

Mr. Aiken: The answer is none. There is quite a difference between provincial redistribution and federal redistribution. Let us not be naïve, Mr. Chairman. Perhaps the hon. member who is asking all the questions is one of the principal reasons we are concerned.

I come to another point, and that is the method of appointment of the two other commissioners. We have a judge and the representation commissioner. Under the amendment proposed by the hon. member for Winnipeg North Centre the judge appoints the other two from a specific group of persons. Now, what is the judge supposed to do? Is he supposed to pick members with different political views? Is he supposed to pick one with a right wing view and one with a left wing view? I do not believe this is his job. He is not supposed to know. He is not supposed to be concerned with the political views of the other commissioners.

Is he supposed to pick members with no political views? If you can find a university person who is interested in redistribution and who has no political views or political ties, I will be very surprised. You cannot find them. If they are at all interested in politics, then they have views and we have heard many of them on radio and television. They are the greatest proponents of political views, and I have no objection to this. If people with no political views were appointed to serve with the judge, what help would they be in assisting him in deciding upon the political consequences of redistribution on an individual riding or on the whole plan? They would be of no help to him, if such people could be found.

Surely, Mr. Chairman, the answer is to have the leaders of the two principal parties in the house nominate people who could represent the opposing political views. I refuse to believe that this is not the reason

we have an impartial member on the commission, an impartial judge as chairman. If there is a division, two and two, what is the impartial chairman there for if not to make the decision? However, he has to be told what the political consequences are. I am sure of this. I do not believe anyone would suggest they could operate in a vacuum. If the commissioners do not know, they will find out. For example, are they going to blindly cast a map of the province of Ontario favouring the Liberal party all across the board? I would not think so. I do not think they would do that if they knew. Are they going to cast a map rewriting the boundaries favouring the Conservative party, the New Democrats or the Social Credit party in Ontario, purposely giving them an advantage? I do not think so.

I believe the desire is that the members have the whole picture, have all the facts and know what they are doing before they redraw the electoral boundaries of the provinces concerned. They must know all the facts. They must have the political facts openly. There must be members on the commission who will open the door and prevent secrecy. As I said in the beginning, this suspicion must be removed that there is a behind the doors transaction, that there is a closed door deal and that nobody can look into it. We must remove the suspicion that no one will know exactly what is happening until the plans are laid on the table of the House of Commons. At that time we know it is valueless to object because the house has no authority to change those plans. I personally do not agree with that particular provision in the bill, but I am prepared to accept it. We have no power to change the plan here.

I say therefore, Mr. Chairman, that the best proposition for handling this gigantic job across Canada is to have two political persons, not political figures but political appointments to the commission. I want to echo what was said by the hon. member for Edmonton West yesterday. I do not believe, myself, that being a politician is anything very terrible. I do not believe that the Prime Minister of Canada and the Leader of the Opposition cannot make reasonable and fair nominations for this job. I do not believe there is any question but that these nominations could be made openly and aboveboard, so that everyone could see. Do not hide politics under the rug.

Mr. Pickersgill: I wonder if the hon. gentleman would permit a question.

Mr. Aiken: Just a minute; we hear various people around the country, and some members in the press gallery, saying we are doing a good job or the members are not doing a job and parliament is going to pieces. Whether or not this is true, I am not going to apologize for myself or any other member of the house who has expressed an opinion; I am not saying for one minute that we should be modest or embarrassed about having political appointments. These political appointments will not have the decision, but they will be able to round out the full commission so that all the facts will be known.

Mr. Pickersgill: I wonder if the hon. gentleman would permit me to ask one question.

Mr. Aiken: Yes.

Mr. Pickersgill: The hon. gentleman talked about these appointments being open and aboveboard. He talked in general terms about that. Would he then tell us, so that we will know, what kind of appointments he thinks should be made; what kind of persons he believes should be appointed by the Prime Minister and the Leader of the Opposition if the original clause were approved?

Mr. Aiken: Well, I will be glad to do that. I think the appointees should be persons who have knowledge of the general political situation in their own area, who have a general knowledge of representation and who have a good measure of intelligence and judgment.

Mr. Pickersgill: Those qualifications are rather general in character. Does the hon. gentleman exclude the chief electoral officer? To put it bluntly, does the hon. gentleman mean that the Prime Minister and the Leader of the Opposition should appoint party politicians or party organizers? Is that what he means?

Mr. Aiken: I would not go that far; I would not like the hon. member to put words in my mouth. I said nothing of the kind. I said university people in general who had political ideas were allied to, connected with, or favourable toward a political party, and I did not think it was the job of a chief justice to pick out these people. Perhaps the Leader of the Opposition or the Prime Minister would select such persons. In that case I think they are excellent, but this should not be the responsibility of a chief justice.

Mr. Fisher: Mr. Chairman, we had hoped we would not have to make any more contributions to this debate, but some contributions have been made with which we disagree. One might almost come to the conclusion that we should go back and take second reading again because, as I understand second reading, it was to give approval in principle to a bill that would create an impartial means of handling redistribution.

Now it seems that in effect we are getting a very strong argument from the official opposition, which approved second reading, that we should have a partisan approach to this particular subject.

Mr. Aiken: May I ask the hon. member a question?

Mr. Fisher: No. I will give the hon. member an opportunity to ask questions later, but now I would like to make the point to him that there are other people to be considered. I want to touch on one nonsensical point—

Mr. Aiken: But this is the original bill. This is what we approved in principle.

The Chairman: Order. The hon. member for Port Arthur has the floor.

Mr. Fisher: I want to deal with this nonsensical argument about university professors. I do not know where hon. members have got their information that somehow the university professors of this country are all lined up in political camps, and you can press a button and so many will line up in each individual camp. I have taken a particular interest in this and I would say to hon. members who put forward this argument that knowing university faculties as I do, you could not identify on any university, by any kind of political activity of a partisan nature, more than 25 per cent of the professors.

I am quite willing to concede that very few of those who are out in the open are Conservative party supporters, but that happens to be occasioned by something completely different, something inherent in the philosophies and attitudes of that party. To get up and suggest that the university professors of this country are a partisan group is nonsensical. I know the hon. member for Carleton could possibly say a lot on this subject.

I can remember speaking to a group of professors at Carleton University a few years ago, when all the professors were gathered together, and at this particular consultation I made the argument, which was supported by one other hon. member of the house, that university professors should take a more active part in party politics, but the response of the meeting was overwhelmingly against that. Repeatedly the professors got up and said they would much sooner deal directly with civil servants than with politicians. Therefore this particular argument that university professors are politically partisan is silly. One can go to Queen's University and look at the social science faculties there. Aside from four or five people, I think you would find some 25 have no connection with any political party and have never taken part in partisan activity. It is a nonsense argument.

Now I want to touch on another phase of this argument. We are concerned in any kind or manner of redistribution with what the Americans call malapportionment. We want to get one vote equalling another vote in another part of the country, and the traditional fear of politicians is gerrymandering when redistribution takes place. That is the thing about which I am so much worried. I want to give a hypothetical case in connection with the constituency of Port Arthur. It is going to be chopped severely in the coming redistribution.

Mr. Woolliams: How do you know until the commission is set up? Would you answer that?

Mr. Fisher: Yes, I can answer that question because we are away above the median in terms of population, even if we have a 30 per cent tolerance, so obviously the constituency is going to be altered. On one side there is Fort William, and adjacent to Fort William there is a section of the constituency that traditionally has voted overwhelmingly C.C.F. or N.D.P. Down at the other end of the constituency there is a section which has traditionally more overwhelmingly voted Liberal, and in another corner there is an area that has consistently voted Conservative.

The obvious fear in all members' minds is about what redistribution will do. We are going to be worried about the decisions as to where cuts and changes will be made, and I as an individual member will feel much more confident if I have the knowledge that the appointments to the commission will come out of the categories specified in the amendment and will be made by the chief justice of a province. I shall have much more confidence in that than if, for example, the leader of the government appointed Keith Davey to be his representative on the commission in Ontario, or if the Leader of the Opposition appointed somebody like Dick Thrasher.

I wonder if the hon. member for Parry Sound-Muskoka can see the logic of this argument. He says it is all political. Of course it is all political as far as members of the house are concerned. I see the hon. member for Renfrew South in the chamber, and I can just imagine the worries that enter his mind about the boundaries of his constituency with Renfrew North and the adjoining constituencies. He is probably lying awake nights concerned about the way in which the splits and adjustments are to be made.

The hon. member for Northumberland almost destroyed our faith in her academic detachment when she sort of turned her back on an academic approach to this problem and came out in favour of good old rural voters

and the sturdy yeomen of the county of Northumberland. My point is that every member of the house will be concerned and worried. Even the Prime Minister can be expected to worry, because there is a chunk of his constituency which is not so favourable to him.

I see he shakes his head. I am glad to note he is so confident or else so detached, perhaps more detached than the hon. member for Northumberland, but each member of the house has a fear of gerrymandering. My hon. friend from Timmins represents a constituency that is small geographically and has a population well below the median. Obviously there will be some great changes in that constituency, and anybody looking at the voting patterns of that area, from the Quebec boundary over to Kapuskasing and down to the nickel belt, must know it would be quite possible for the hon. member for Timmins to be hived, to use Sir John A. Macdonald's term, if there was an element of the political consideration which the hon. member for Parry Sound-Muskoka is advocating.

I believe that a chief justice will make good appointments. With the fact that on each of these commissions we will have the representation commissioner, and with the fact that choices will be made from categories of men who have some knowledge in various fields, we will get the kind of detachment that will destroy, or gradually cause to fall away, the fears I am sure almost every one of us has.

I spent a couple of hours yesterday going over the constituencies that will be affected because their population differences are above or below the median that is to be applied. It is very apparent that there is not a constituency in Canada that is likely to escape some change. Almost every seat, for example, in metropolitan Toronto is going to have an adjustment of its boundaries; it is just inescapable.

An hon. Member: Yes.

Mr. Fisher: The hon. member says "Yes". He will be one of those whose riding will be adjusted and changed considerably; and the constituency of the hon. member for Bow River falls into the same category.

Mr. Woolliams: Why do you say that?

Mr. Fisher: Because of the population change.

Mr. Woolliams: What is the population of Bow River?

Mr. Fisher: I haven't the exact figure.

Mr. Woolliams: Then how can you make that statement? You know why you are making that statement; you have seen maps.

[Mr. Fisher.]

Mr. Fisher: That is the funniest thing I have heard, Mr. Chairman. If the hon. member thinks I have seen maps, would he also not think I would be holding them right up here? If we want to get a fair and honest approach that all the parties and all the people in this country can trust, we should be putting our faith in the approach embodied in this amendment. When I say this I do not mean to knock, or to suggest that the appointments that might be made by the Prime Minister and the Leader of the Opposition would necessarily be bad; but the very fact that they would be making the appointments would lead to some doubts and some fears. I want to be perfectly frank.

Mr. Woolliams: You have been.

Mr. Fisher: In my own constituency I have always found that if you set a Grit to watch a Tory they will watch each other pretty closely, and as someone else is involved I never worry about having a scrutineer in a poll as long as I know I have a good, suspicious Conservative watching a good, suspicious Liberal.

I have thought of this in connection with the proposal originally embodied in the bill, but the whole point of the matter is that I know from experience you can never arrange to have that suspicious Grit watching the suspicious Tory. I would much sooner go for the possibility of someone who is much more detached in his political affiliations and sympathies, someone who will deliberately take an objective and non-partisan approach.

I am sure every hon. member will want to make some appeals or suggestions or representations to this commission, when it gets going on the constituencies. I would suggest to hon. members that if they stop and think about it, it will be much easier for each one of us to approach that commission if we are not looking at it as having a sort of Tory or Grit side. I think this is a point all hon. members should remember. Almost every one of us is going to be approaching the commissioners to find out more about the thing and, if possible, to give them some advice or suggestions. I think we will find it a great deal easier to do this if we can be sure that the people on the board are as non-partisan as possible, as will be the case if they are appointed under this amendment.

It is for this reason that I hope, in view of all the discussion we have had, we can move to a consideration of this amendment. I think my hon. friends who have objected to it realize that this is going to be settled by a vote, that there have been no strings put on the particular vote, and I think it is about time they took their chances on the will of the house in committee.

Mr. Woolliams: Mr. Chairman, I wonder whether the hon. member would answer a question?

Mr. Fisher: Yes, gladly.

Mr. Woolliams: The hon. member said, as I understood him, that he had absolute confidence in the chief justice of the province. With that I have no argument. If that is his argument, why does he then, in support of the amendment, categorize the kind and class of person that the chief justice can appoint? Why does he not make it wide open and say that the chief justice shall appoint these people? Why do they have to be of a certain class? I think I might tell him that I have some suspicion of something very unusual getting into the act.

Mr. Fisher: I like it as it is, but if any change is suggested I would still prefer to go back to the original proposal. But I think by opening up the categories suggested we are going to get some men on the boards who have a knowledge that is relevant, in the field of demography or geography, to the problem being considered. For example, the chief electoral officer of Ontario is Mr. Lewis. He is also the clerk of the legislative assembly. I do not think anyone here who knows Mr. Lewis and knows his association with the Frost government and the Robarts government will have any doubt about his political sympathies. But I want to make this point clear: Mr. Lewis has proven in the work he has done on the redistribution in Ontario, that has been carried out in the last couple of years, that because of his background of knowledge and work in this field he can approach it, and knows he must approach it, with detachment. I think he would be an ideal person to have on this commission, despite the fact that I happen to know he is an Ontario Conservative. I make that point in rebuttal of what the hon. member said. He would make a valuable member of this commission.

I would also point out that a surveyor general, or someone familiar with the geography of a province, is a particularly useful person to have when you are drawing up boundaries, at least in a province like Ontario or in the northern portions of it. He has some idea of the various hinterlands, of influence, of the traffic flow, the roads, and all the rest of it. I think he can bring to this problem, again, a knowledge. I heard someone ridicule the other day—

Mr. Nielsen: Mr. Chairman, would the hon. member permit a question? It is germane to the question he is answering now, although he has not finished. If he has that confidence in the amendment that he expresses—and my hon. friend from Bow River has drawn to his attention the first two categories—and if he has that confidence in the choice of these judges, does he not agree that the third part of the amendment, which after exhausting the first two categories makes the judge's choice subject to the approval of the representation commissioner, is not necessary? If he says he has confidence in the judge's choice, why should the choice be made subject to the approval of the representation commissioner?

Mr. Fisher: I have not any complaint with the third category. I assume that the reason, or the explanation, as to why this particular provision has been put in there is as an escape provision in case there are difficulties, in an ad hoc situation, of getting people to do the job. That is what I look upon the provision as being required for. But I would certainly assume that a serious attempt would be made to select from these other people. In a province like Ontario—and I would not want to speak for the other provinces—where you have now somewhere around 12 or 15 universities, you have for example a magnificent geographer at the University of Western Ontario. I know nothing about his politics, but it is a good department. He would be an excellent man to do something like this. I know from the books he has produced that he has an intimate knowledge of the geography, resources, character and make-up of the towns and cities of Ontario. There would be no difficulty in finding people, at least in the province I know best; and there is a great range of people to choose from whose party affiliations would not mean anything.

I may be going beyond the questions that have been put to me, but I just want to say that I hope we can have the question put so we can settle the question now. We are prepared to accept the will of the house—we have to, anyway—and we do think the official opposition has certainly had time and opportunity to parade its objections and criticisms to the amendment before the committee.

Mr. McIntosh: Mr. Chairman, I wonder whether the hon. member would permit a question? It may appear to be facetious, but it is not. I was very interested in his argument. I did not arrive at the same conclusion, although I agree with what he said in some respects. I think the hon. member said he was quite content to have a suspicious Grit and a suspicious Tory sitting across the table acting as scrutineers; he would be quite prepared to accept the decision they arrived at because he was not a follower of either party and would therefore get a square deal. But the hon. member said he would look for

someone without any partisan influence or leaning at all. I wonder how many such people he could find to act as scrutineers? I think the answer would be none. Therefore the hon. member must accept the decision of the suspicious Grit or the suspicious Tory—and that is the very thing we are arguing about today.

Mr. Aiken: Mr. Chairman—

The Chairman: Order. Does the hon. member wish to ask a question of the hon. member who has just resumed his seat?

Mr. Aiken: I can do it by way of a question, Mr. Chairman.

The Chairman: Because there are other hon. members who wish to participate in the debate.

Mr. Aiken: May I ask the hon. member for Port Arthur this question. He stated when he commenced his remarks that he thought we had settled this matter when we voted on the principle of the bill. Would he not agree that what we are now proposing is what we agreed to in principle on second reading of the bill; and what is now proposed by his colleague from Winnipeg North Centre is a change from the original principle?

Mr. Fisher: The hon. member knows that on second reading we were debating the general principle of the bill rather than the details. It seems to me that the hon. member is now suggesting that the official opposition had its eye on clause 6—

Mr. Aiken: No.

Mr. Fisher: —and that this determined their particular view. I assumed, in accepting and voting for the bill on second reading, which as far as I know we all did, that we were going to set up an impartial method to handle redistribution. All I was putting as an argument was that the very length and detail of the case being put by the official opposition would lead one to believe that they feel this would be impossible, and that therefore you have to have some kind of political entry into the whole set-up. That is my whole point.

Mr. McMillan: Mr. Chairman, this debate on Bill C-72 leads me to think that clause 6 should remain as it is, with the addition of a certain minor amendment proposed by the Minister of Justice. I think that the Minister of Transport has drafted a bill which is better than he thought. I know that over the years the politicians have made the decisions on redistribution and there has been much criticism of this. But no matter who makes these decisions on boundaries I think there will always be a lot of criticism.

The amendment proposed by the hon. member for Winnipeg North Centre gives the major decision to our chief justices and their appointees. Following redistribution I am sure there would be much criticism directed towards them, and I do not think we should put our chief justices in that position on a matter so highly political as this.

Some hon. Members: Hear, hear.

Mr. McMillan: Following the reports of the ten commissions a bill will have to be presented to this house. If I know this house correctly, and I think I do, there will be a lot of debate and wrangling here, and there will be criticism directed against our chief justices by hon. members—there is bound to be. If my own riding, for example, was unduly cut up, and I thought it was unduly severe, I would have to rise in this house and say that I thought the chief justice of Ontario and his appointees had made stupid decisions. I would rather be in the position of blaming some political appointees whose job would be to see that this did not happen, or did not happen to any marked degree.

I think this is a political question and that it should be settled in a political fashion. I think the final bill will have smoother sailing through this house if the Prime Minister and the Leader of the Opposition make these appointments. Then I would say that the two major parties would have less reason for complaint when the final bill is presented to the house. If these two appointees are going to look after the two senior parties, I think the other three parties will also be looked after as well.

If these ten commissions were to pay attention only to mathematical numbers it would not be difficult to draw the lines between the different ridings consistent with the tolerance allowance. I think all hon. members in this committee have agreed that we should pay attention to municipal boundaries, to traditional boundaries between ridings, etc. I know of no one better qualified than a political appointee to undertake this duty; I think he would be more aware of these things than anybody else. Such people would bring about a better redistribution bill which I think would meet the desires of most hon. members in this house.

I think the chief justices should act more as referees. This amendment is putting the whole onus of redistribution on the chief justices, which I think should not be the case because there will be much criticism not only from members of this house but from many outside the house. This will not add anything to the prestige and dignity of our judiciary.

Mr. Starr: Mr. Chairman, I wish to make some remarks regarding this bill. I do not want to go into the technical aspects; rather I wish to deal with what I might term the logical side. As a matter of fact, it was not my intention to make any remarks with respect to this bill because I believe in the principle upon which it is launched, which is to take redistribution out of the hands of the House of Commons, from which it has had previous experience, resulting in charges of gerrymandering being made. I would rather put it into an area wherein it would be handled by other than members of the House of Commons.

With this happy thought I read Bill No. C-72 when it was first drafted, and on reading the clauses in that bill I must say that I felt it was very fair; so much so that I could not see much wrong with the bill except for one point, and that was with regard to the provision of tolerance. The reason I took exception to that matter and thought it should be higher in percentage points was because I felt that the low percentage points of tolerance would create a parochial type of member of parliament.

At the moment we have members of parliament who represent urban constituencies and portions of agricultural areas. As a result they have a broader view and feel inclined as a matter of responsibility to take into consideration the agricultural side of life in Canada as well as the urban side. A smaller tolerance would have a tendency to create, as I say, parochial members of parliament in that a member will be representing an urban area only while another will be representing an agricultural area only. I am taking exception to this and I hope that when we reach this clause the government will see the light and see fit to make some adjustments in this connection.

The hon. member for Port Arthur said a few moments ago that we gave second reading to this bill, but we are now disagreeing with it. We gave this bill second reading based on the way it was drafted originally, and then when we went into committee on the bill we found that a major alteration was contemplated in the form of the amendment now before us. This is now a bill to which we did not give second reading.

That is an amendment. It was new. We had no idea that it would be included. Charges have been made that the proposal which first appeared would be political. What is wrong with politics. I have heard so much to the effect that there should not be partisanship in parliament. I must say I am in accord with the Minister of Transport, because he is one of those realistic persons who has said that this is the place for politics.

Mr. Pickersgill: The hon. gentleman would not wish to misrepresent my position. I say the House of Commons is the place for partisanship. I say also that an independent redistribution commission is not the place for partisanship.

Mr. Woolliams: Address the Chair.

Mr. Starr: I ran for parliament on a political platform representing a political party and I believe my duty in the House of Commons as a member of the opposition is to provide an alternative to the present government. That is the way in which to conduct the business of this house. Too many people say we should be non-partisan here and that we should all work for the good of the country. We are all working for the good of the country. I had experience, during the setting up of a committee this morning, of the lip service that is given to non-partisanship. A chairman was elected from the government side, as is right, and after election he proceeded to thank the committee and to express the hope that the committee would carry on its work in a non-partisan way for the good of Canada. Very good. Then the name of the vice-chairman came up for nomination, and he was a member from the Liberal side, too. That is a good example of a non-partisan attitude. They say: Let us be non-partisan but we are all going to be Liberals on this committee.

Today we have writers who are naïve enough to suggest that there should be no partisanship even in the House of Commons. What are they proposing—a one party system which would eventually end in a dictatorship? No. Parliament is a place of politics and partisanship. We have a tendency, in paying lip service to the non-partisan idea, to create the same atmosphere outside, and people then look on parliament as an institution which has downgraded itself. Well, parliament is not downgraded. It is the same now as it was in 1952 when I came here. There was partisanship and politics then. That is the way I like it. That is the way it should be. That is why the democratic system works, and when we end this system we will be on the road to dictatorship in this country.

Mr. Woolliams: Attaboy.

An hon. Member: What about the amendment?

Mr. Starr: This is all part of the amendment. I looked this bill over, and the longer I listened to the debate in this committee the more I felt there was some sort of set-up. The minister, introducing this bill, said this work would not be completed for one year.

Mr. Pickersgill: The bill says it.

Mr. Starr: I understand that this whole redistribution will be completed after six months ready for an election in this country? Is that right?

Mr. Pickersgill: The hon. member is speaking on a particular clause of this bill, but I assume he has read the whole bill. If he has done so he will know that it is altogether impossible for the provisions in it to be completed in six months or, for that matter, in a year.

Mr. Starr: We will go into that and see whether it will be possible or not.

The act which we passed last December provides that the representation commissioner shall draw up maps with boundary lines in accordance with the census of 1961. These maps are already drawn up. But here is the sticker: They are drawn up on the basis of a tolerance of 20 per cent above or below. Where is that figure contained? It is contained in a provision of the present bill which has not yet been passed, namely clause 13 (b).

The Chairman: Order. I am wondering whether the hon. member is not getting away from clause 6. He has referred to clause 13.

Mr. Starr: I submit that when discussing this clause we are considering arrangements for setting up a commission which would carry out the provisions of every one of these clauses. What authority was given for drawing up the boundary lines on these maps with a tolerance of 20 per cent? The clause making provision for that figure has not yet been passed by parliament.

Mr. Pickersgill: I wonder if I might ask the hon. gentleman a question. He has made a serious assertion that he knows about some maps which are drawn up on the basis of the tolerance of 20 per cent. I should like to ask him how he knows.

Mr. Starr: Certain members of the house have seen these maps.

An hon. Member: Have you?

Mr. Starr: I have not, and many of the hon. members on the other side have not. But I do not think it is right, and before I am through I intend to ask some questions about it. I intend to ask the minister whether he is prepared to table these maps so that we may study them.

Mr. Pickersgill: On a point of order, a decision of the house was made on this point. Perhaps the hon. member for Ontario was not here on orders of the day.

Mr. Starr: I was here.

Mr. Pickersgill: The hon. member for Parry Sound-Muskoka asked this question. I said I thought I should like to consider the matter, and he put it down for debate at ten o'clock. And tonight, at ten o'clock, I intend to make an answer.

An hon. Member: That is not a decision of the house.

Mr. Pickersgill: I rose on a point of order, and I have not yet—

The Chairman: Order. The Minister of Transport is on a point of order and I think we should hear him out.

Mr. Pickersgill: My point of order is that there was a decision of the house made one day this week with respect to questions and with respect to debate after questions had been raised. This was an inquiry which, in accordance with that order of the house, I undertook to answer tonight in the adjournment debate after ten o'clock. I intend, of course, to keep my promise to do that. But it does not seem to me that it has anything at all to do with the clause which is now before us, and I suggest that after the kind of debate we have had for the last couple of days we might enforce the ordinary rules and discuss the clause itself.

Mr. Starr: I have pointed out in the past, Mr. Chairman, and you have agreed with me, that it is permissible to discuss other aspects of this bill because of the fact that we are now considering the formation of the commissions. These are the people who would be called on to make all these decisions. I maintain that the decisions have already been made and the question which arises in my mind is this: Why in the world are we discussing the setting up of commissions if they are to be given nothing to do, because the work is all done? It seems most unlikely to us that the commissions are going to take these maps, which have already been drawn up, and make new lines on them. That is nonsense. These maps have been prepared, and I think that is wrong. I believe the minister should table the maps so that we can look at them to ascertain whether the work has been done on the basis upon which I have said it has been done, or whether lines have been drawn on a population basis only. I think it would be only fair to members of this committee if we were to have an opportunity of studying these maps. I am therefore about to give the minister that opportunity by moving, at this time:

That this committee rise and report progress.

The Chairman: Will the hon. member submit his motion in writing?

Some hon. Members: Question.

Motion (Mr. Starr) negatived: Yeas, 42; nays, 43.

The Chairman: I declare the motion lost.

Mr. Pickersgill: Mr. Chairman, I want to deal with certain points. If hon. members are not interested in carrying on the debate and would rather have the vote I would be quite happy to have the vote right now.

Mr. Starr: We want to see the maps. Show us the maps.

An hon. Member: Vote on what?

Mr. Pickersgill: You know what we will be voting on. Surely you have read the amendment by this time.

Mr. Starr: Show us the maps.

Mr. Pickersgill: If hon. members do not want to have the vote right now I hope I may have a certain amount of reasonable attention while I deal with one or two of the points raised by the hon. member for Ontario. In the first place, the hon. member for Ontario made an argument which I thought was extraordinary and which certainly indicated that he had not paid any attention to the debate on second reading. At the very end of my speech in closing the debate on second reading I used certain words and I want to put them on the record again. They will be found on page 2216 of *Hansard* for April 15. I pointed out there that I would not be prepared to vote for an amendment to the bill to establish one single commission for the whole country but, and I went on to say:

> Apart from that, any other suggestions for amendment to any other section of the bill will be considered on their merits. I am speaking for myself, as sponsor of the bill, and I do not feel I should attempt to speak for anyone else in the house.

At no time at any stage of the debate have I attempted to speak for anyone else in the house except with regard to one point, the principle of the bill itself. On that I said, and I was authorized to speak for my colleagues, that the government was committed to a non-partisan redistribution by a commission. That is the only point of principle that there is in the bill and when we voted on second reading that was the only point on which we voted. On that occasion I went on to say:

> I intend to look at these things dispassionately and if I think any amendment is an improvement I am going to say I would vote for the amendment.

That is the position I have taken. I have never sought at any stage of the debate, except by the arguments I have made publicly in the house, to influence any hon. member in his vote, and I do not intend to. I should like to think that there was one member in the official opposition with—I was going to use the word "guts" and I will use it—the guts of the hon. member for Welland to get up and express himself honestly as to the way he really feels, because I simply do not believe that every member of the official opposition agrees with the stand that was taken—

Mr. Churchill: Mr. Chairman, I rise on a point of order. The minister has suggested that members of this house are not honest in the expression of their opinions or in their actions and he must withdraw that statement.

Mr. Pickersgill: The hon. member for Winnipeg North Centre—

Mr. Knowles: Please.

Mr. Pickersgill: —having quarrelled with nearly everyone in the house, is now seeking to quarrel with me but he is not going to succeed. I should have said "Winnipeg South Centre". I beg the hon. member's pardon. I have no intention of quarrelling with him. I made no imputation against any member of the house. I put my proposition in the negative. I said I could not believe there was that degree of unanimity in the official opposition that has appeared so far in this debate. I am proud to say that I belong to a party in which, when we say there is going to be a free vote on a matter, our members are not afraid to express their views, even if they disagree with those on the front benches.

Mr. Churchill: Mr. Chairman, I raised a point of order and the minister is now evading the entire issue. I ask for the Chair's ruling.

The Chairman: To my mind the minister is not evading the issue. I believe the minister has the right to explain the words he has used and I understood that was what he was doing. I am prepared to accept the minister's explanation of his words. He said he was not imputing motives. Certainly I am in agreement with the hon. member for Winnipeg South Centre that no one can impute motives. The minister said he was not doing that, but posing a theoretical question.

Mr. Churchill: It was not motives; it was honesty.

The Chairman: Since the minister is not imputing motives I do not think there is anything he has said specifically that he should be required to withdraw.

Mr. Pickersgill: Mr. Chairman—

The Chairman: Perhaps I could interrupt again if I may be allowed to do so. I should like to remind the committee that according to the standing orders discussion in committee must be specifically relevant to the

clause before the committee. We are on clause 6 and I would invite all hon. members to limit their speeches to that clause.

Mr. Pickersgill: Mr. Chairman, I will endeavour to do that to the best of my ability but I am sure that Your Honour, having permitted the hon. member for Ontario to make certain statements on which he invited me to comment, would not preclude me from making a specific reply. I do not intend to introduce any new or extraneous matter and I will try to keep my reply as brief as possible, but I feel I should reply to these specific points. On the question of the imputation of motives, I am not so sensitive as the hon. member for Winnipeg North Centre perhaps because I have no—

Mr. Knowles: Please.

Mr. Pickersgill: Perhaps I am flattering the hon. member. I am not so sensitive perhaps as the hon. member for Winnipeg South Centre because I have no feeling of guilt whatsoever in this matter.

Mr. Churchill: I haven't. Are you suggesting we have?

Mr. Pickersgill: Not at all.

Mr. Churchill: You are treading on dangerous ground. Let us have no accusations of dishonesty on this side of the house. I am protecting every member of the house.

Mr. Pickersgill: The hon. gentleman has a great sword and buckler, and I am sure they are all well protected. What I do rather resent a little, sir, in a mild sort of way, is the fact that while I sit here listening politely to hon. gentlemen on the other side of the house, when I attempt to debate, even with half the warmth they do, I am constantly interrupted in the fashion we have just seen. I remember the right hon. gentleman, who now sits over there, when he was over here was very sensitive about this denial to members on the treasury benches of the right to speak in the house without interruption. I hope that is not going to happen on this occasion.

Mr. Woolliams: I rise on a point of order, Mr. Chairman. Surely, this has nothing to do with the bill before us at the present time. The minister has made a complaint, so let him now answer the arguments that have been raised by the hon. member for Ontario.

Mr. Pickersgill: If you let me do it.

Mr. Woolliams: He is wandering all over the place and I suggest, with the greatest respect, Mr. Chairman, that you bring the minister to order.

[The Chairman.]

Mr. Pickersgill: I think, sir, you will not have to do that; I will do it myself. The hon. member for Ontario made a very serious imputation. I believe the phrase he used was that there was some sort of set-up. I do not know precisely what he meant by "some sort of set-up". I hope before this debate is completed he will say, in plain unvarnished language, what he does mean. If there has been any imputation made, it was precisely in that particular phrase.

Mr. Starr: If the minister would permit, I will explain what I meant.

Mr. Pickersgill: Can the hon. gentleman do it in one sentence? Otherwise it is quite obvious I will not be able to complete my remarks this afternoon.

Mr. Starr: I meant to say that the lines have been drawn marking out the new constituencies based, I believe, on the 20 per cent tolerance. The whole thing is set up and the commission has not anything to perform.

An hon. Member: That is what you say.

Mr. Starr: What have they to perform?

Mr. Pickersgill: Perhaps the hon. member for Ontario would allow me to complete my speech, instead of continuing to make remarks while he is seated.

The hon. gentleman says that redistribution has already been completed because some maps have been drawn. Everybody must realize that no map can have any validity whatever, it can be nothing but an exercise, until such time as this bill or some other bill has been passed and the rules have been laid down. It is quite obvious, therefore, that any maps which may have been prepared—I know there have been maps prepared because I have been told so—have no validity. I have not sought in any way to look at these maps because I knew they could not be anything except tentative and I did not want to have anything to do with redistribution—

An hon. Member: Oh, no.

Mr. Pickersgill: No, and any hon. member who did and voted for this bill would not be giving a sincere and honest vote because the purpose of this bill is to keep politicians out of this redistribution. If that is not its purpose, then it has no purpose at all. I took the trouble to read some of the things that were said by the right hon. gentleman over there when he was speaking about this matter from this side of the house. There was no one more eloquent about keeping politicians out of it and yet now the hon. member

for Parry Sound-Muskoka seeks to bring them in by the back door.

Mr. Aiken: I rise on a point of order, Mr. Chairman. I never mentioned anything about politicians being involved in this redistribution. If he wants to categorize the Prime Minister and the Leader of the Opposition in this way as making such appointments, I accept that. I made no suggestion that any politician would be on these commissions.

Mr. Pickersgill: I asked him to give the categories. After he had spent a long time saying you must have people who understand politics and know all about these things, am I to take it from what he says that they would not be politicians?

The plain fact is that if it had ever occurred to me for one minute that clause 6 would be interpreted in the way the hon. member for Parry Sound-Muskoka has interpreted it, I would never have introduced it into this house. I assumed that the Prime Minister and the Leader of the Opposition would appoint the kind of people that Mr. Douglas Campbell appointed in Manitoba with the approval of the whole legislature, namely the chief justice, the chief electoral officer and the president of the university of that province. I expected the Prime Minister and Leader of the Opposition would appoint people of that type. If I had thought they were going to appoint party hacks, party organizers or politicians of any sort—if that thought had ever entered my mind I would have never made such a proposal. I assumed, and I still assume, that the two right hon. gentlemen would not make appointments of people who would be too concerned about whether in the last election people voted Liberal, Conservative, C.C.F. or whatever.

This is not what the commission should do. It should see that Canadians are represented fairly. It should see that municipal boundaries are recognized; that historical factors are recognized and that we take account of geographical and topographical factors so that it will be possible for a member to represent a constituency reasonably. This is the reason we have to have a tolerance. If it were not for that, if this country were homogeneous, if it were all like Scarborough, for example, we could just divide it up mathematically and have no tolerance at all, or virtually none. It is precisely because of the vast geographical differences between the various parts of Canada, because of the topographical differences, that there has to be a tolerance.

As I understand it, and obviously a good many hon. members are much better informed about this than I am, the representation commissioner has carried out such of his duties as he could carry out under section 8 of the act that we all passed unanimously in this parliament. These maps that may have been drawn are merely exercises until such time as we lay down the rules.

Mr. Woolliams: Would the minister permit a question? If these maps are drawn under the act, is there anything in that act that mentions any tolerance? If there is not, why is the tolerance being looked at in drafting the maps in question?

Mr. Pickersgill: I assume the representation commissioner can read. I assume that he has read the bill that is before us.

Mr. Woolliams: Well, all right; that is the point.

Mr. Pickersgill: It would not appear to me that it would be time lost at all. I do not know; the hon. member for Bow River may never have drawn any maps. However, it would not appear to me that it would be time lost to have drawn maps with a tolerance of 20 per cent, 30 per cent or even 10 per cent. One would at any rate have some of the basic work done. The maps could not have any validity in respect of redistribution itself until this bill is passed. This is one of the reasons it does seem to me we should compose our differences here. If we cannot compose them, then we should vote and let the majority decide which way it should be done.

As I have said before in the house, and I say again, I have a preference for the amendment submitted by the hon. member for Winnipeg North Centre. However, I do not believe my original draft is a bad one at all. I do not think quite so well of it as I did before the hon. member for Parry Sound-Muskoka spoke. He raised doubts in my mind that were not there before. I still believe that whichever way we do it, I would be quite satisfied that we would have a workable act. I say let us stop having these rather childish suspicions. Let us get on with it. The very people over there who are so sensitive about the imputation of motives in their case, are constantly imputing motives to others. Does anyone think that the chief justice of Ontario and the chief justice of Quebec, both of whom were appointed on the recommendation of the right hon. gentleman opposite—and that embraces two thirds of the country—think they are going to appoint C.C.F.'ers or C.C.F. professors.

An hon. Member: Why not?

Mr. Pickersgill: Well, why would they? I would think those chief justices would be just as careful to make the kind of appointments that we would regard as proper as would the Prime Minister or the Leader of the Opposition. Hon. gentlemen opposite seem

to be terribly afraid of a few C.C.F.'ers who are professors. Personally I do not think they have a ghost of a chance of getting on any of these commissions. If I did, perhaps I would not be so enthusiastic about the amendment of the hon. member for Winnipeg North Centre; but there is not a chief justice in any province who was appointed by the hon. member for Burnaby-Coquitlam, and I would think we are unduly sensitive about this.

The serious point that several members have raised is that giving the right of appointment to these judges we would be dragging them into politics. Personally I do not think it would. I think there would be more charges of political partisanship from people who are neither Liberals nor Conservatives if appointments were made by the Prime Minister and the Leader of the Opposition, and if I were foolish enough to belong to the N.D.P. I am not sure if I might have a little suspicion of that kind.

To come back to the serious point in this clause, so far as I am concerned I believe that no commission which will be appointed in either manner, by the chief justices of the ten provinces or by the Prime Minister or Leader of the Opposition, will be pushed around by any official and will have to do what he says. I do not think so little of them. I am sure the kind of people who will be appointed by either method will be independent people, with prestige in their communities, people who will be concerned about their own reputations and about doing this job properly as parliament intended it to be done.

So far as I am concerned, I repeat what I said last night, that I would like to get the verdict of the committee on this amendment and, whichever way it went, I would be perfectly happy to move on to the next clause.

Mr. Nugent: I think, Mr. Chairman, that the speech just made by the minister has been the best argument we have heard against the amendment. The minister has advised us before that he was not stuck on one idea or the other, that he was wavering, and that he could move easily back and forth. I am sure it has become apparent, following the debate in the committee, that there are some of us who feel very strongly that accepting this amendment is a slap in the face to the Prime Minister and the Leader of the Opposition, and that it is an insult to parliament.

The Minister of Transport says that he does not feel very strongly about that. He has emphasized that the Prime Minister and the Leader of the Opposition are not going to appoint political hacks. I do not think any member of the house will seriously suggest that either of those right hon. gentlemen will do anything other than what the chief justices would do, in other words that they will pick the best men possible to see that the job is done right.

If the Minister of Transport reflects on this I am sure he will realize that the right hon. gentlemen, as suggested originally in the clause, are certainly better qualified, are in closer touch with affairs across the nation, have a little more awareness of the problems and have more ability to pick those people to do the job right. If that is not the kernel of the matter, then I do not know what is.

Instead of relying on these two right hon. gentlemen, as he proposed originally, the Minister of Transport wants to make a change to the chief justices, and then tries to hobble the chief justices by defining the categories of people from which they must choose and, second, providing that their choices must be subject to the approval of the commissioner. To me his argument is redundant. He has answered himself, and I wonder whether he would not like to take a few minutes for quiet reflection on this.

He has indicated that he is not firm in his resolve, that he is quite flexible, and I am sure if he would just pause to consider the few points he himself has made he will realize why the original clause is better than the amendment.

I would like to answer some of the questions raised by the hon. member for Port Arthur, who said he failed to appreciate the advantages of the adversary system. He apparently has something in his mind to the effect that if a person is appointed by a political party and if there is a belief that that person might have a bias—and he probably would have—then in this manner it is impossible to get fairness, and he believes there is a better chance of getting fairness through adoption of the amendment.

The hon. member apparently does not understand our legal system, and the purpose of the adversary system to make sure that you have neutral ground. Through this system you make sure you have an argument on one side and an argument on the other, that each would point out any political advantages that might be gained, and then the chief justice in this manner would be warned, would be able to be guided by political considerations and, because he is aware of them, would make sure that any decision arrived at was truly fair.

Mr. Chairman, may I call it five o'clock?

The Chairman: Order. So that the house may proceed to the consideration of private members' business, it is my duty to leave the chair.

Mr. Deputy Speaker: Order. It being five o'clock the house will now proceed to consideration of private members' business as listed on today's order paper, namely notices of motions (papers).

MOTIONS FOR PAPERS

CORRESPONDENCE WITH U.S. ON EATON-KAYE CASE

Mr. D. M. Fisher (Port Arthur) 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 correspondence exchanged between the Department of National Revenue and the American authorities under the tax agreement between Canada and the United States with regard to the Eaton-Kaye case and any opinions which may have been obtained from the American authorities on the position of the securities and investment involved in the estate of the late Mrs. Eaton-Kaye since January 1, 1961.

He said: Mr. Speaker, I shall endeavour to show the house that this request for papers is a fair and legitimate one despite the point made by the President of the Privy Council a week ago yesterday, when he invoked section 55 of the Succession Duties Act to indicate that this required secrecy. This section does require secrecy on the part of any servant of Her Majesty in connection with the details of anything to do with the Succession Duties Act.

I wanted first of all, Mr. Speaker, in order to put this matter in context, to put on the record a letter I received from the minister's office on April 17, 1964. It is not marked "Personal and confidential" and I know the minister will not mind my putting it on the record:

Dear Mr. Fisher:

Mr. McIlraith has asked me to bring to your attention the following information regarding the Eaton-Kaye estate, further to his conversation with you of yesterday.

Representations were made by Mr. Cyrus Eaton to the successive ministers of national revenue in an attempt to enlist their support and the active support of the Canadian government in resisting the claim for income tax registered against him personally by the United States tax authorities. The successive ministers—

I suppose he is here referring to the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) and the hon. member for Victoria-Carleton (Mr. Flemming):

—were sympathetic to Mr. Eaton but it was concluded that the Canadian government could not interfere in the action taken by the United States tax authorities applying the United States income tax law to a citizen and resident of the United States. The tax conventions were not applicable in these circumstances.

Being vested with the responsibility of collecting the taxes imposed by the Dominion Succession Duty Act, the taxation divison could no longer permit the postponement of the payment of the duties owed in connection with this estate when they became five years overdue and a writ was placed in the hands of the sheriff in the latter part of 1963.

It should be noted that the value of the estate of Mrs. Eaton-Kaye would permit the payment of the duties and still leave more than sufficient to pay the amount which is said to be pledged to the Pugwash park commissioners. The minister has been advised that there is nothing in the laws of Canada or the United States which would prevent the orderly settlement of this estate, including the payment of the duties to the Canadian government and the contribution to the Pugwash park commissioners.

Yours sincerely,

The letter is signed by Robert H. Belanger.

First of all, Mr. Speaker, I want to make the point that if you look at the notice of motion it says:

—a copy of all correspondence exchanged between the Department of National Revenue and the American authorities under the tax agreement between Canada and the United States with regard to the Eaton-Kaye case and any opinions which may have been obtained from the American authorities on the position of the securities and investment involved in the estate of the late Mrs. Eaton-Kaye since January 1, 1961.

My first point is that I am requesting the information and exchange of correspondence that has taken place between the Canadian government, particularly a department of the Canadian government, and the United States authorities in connection with this matter, and this letter that I read into the record indicates that indeed some kind of exchange almost certainly did take place, because the letter says:

The successive ministers were sympathetic to Mr. Eaton but it was concluded that the Canadian government could not interfere in the action taken by the United States tax authorities applying the United States income tax law—

Then the letter says that the tax conventions were not applicable in the circumstances. Obviously in determining that the tax conventions were not applicable it was necessary for the Canadian government to have some kind of interchange of information, of which I assume they would have a written record, with the United States government.

I wanted to refer at this time to something that I think is a bit of a precedent, in that the House of Commons records of 1959 show that sessional papers Nos. 189a and 189 were produced; 189 was produced on Thursday, February 5, 1959, and on Thursday, March 12, 1959, 189a was added. At that time what I had asked for—and it was requested in a motion of mine—was a copy of all correspondence and other documents exchanged by the federal government and officials of the United States concerning the Consolidated Premium Iron Ore Company, the Premium Iron Ore Company, Cyrus Eaton, and F. Daley, from June 1, 1958.

I am not arguing that this is on all fours with the present motion, but what I am arguing is that there was no hesitation on the part of the minister at that time, who is now the hon. member for Digby-Annapolis-Kings, in providing me with the information in connection with correspondence between J. Gear McEntyre, deputy minister, taxation, and the acting commissioner of internal revenue in the United States. I wanted to suggest that what I had been asking for in connection with these papers is really only secondary or ancillary to any question of succession duties, and the fact that successive ministers gave a hearing to Mr. Eaton when he made representations that this particular matter be held over or postponed until the whole question of the ownership of the securities involved in the estate of Mrs. Eaton-Kaye were cleared up.

Mr. Cyrus Eaton is well known to most Canadians. He is one of our more famed expatriates and is well known as a patron and sponsor of the Pugwash park commission and the whole idea of the Pugwash conferences. Mrs. Eaton-Kaye was his sister and, as the point is made in the letter which I put on the record, she died some years ago. In her bequeathing, as I understand it, she made a pledge of some $100,000 to the Pugwash park commission and some $35,000 to McGill University. Obviously when someone dies that many years ago the action in so far as the succession duties is concerned drags out over this period of years, there has been a view within the Department of National Revenue that it is prepared to accept the contention of the executor of the estate, Mr. Cyrus Eaton. Then the question arises as to why in the fall of last year this contention, whatever it was, was changed or altered. Of course, it was this change that brought me to place on the order paper my motion for the production of papers, in order to get this situation opened up so that I could understand it.

I have had representations from Mr. Eaton, as I know other members of this house have. I make no bones about the fact that I have always been an admirer of Mr. Eaton, not least for his courage in expressing in the United States some views on world and international affairs that cannot help but bring him a certain kind of unpopularity and yet reflect a certain courage in outlook. I wanted to indicate, in order to put the situation as fairly as possible to the minister, that the executor in this case, Mr. Eaton, made an offer in writing last October, as I understand it, and it was made before that either orally or in writing by his solicitor. He made this offer to the department that he was prepared to provide government securities or any other type of security that would be required or asked for by the Department of National Revenue and was prepared to put these, I think the technical term is "in escrow", or in some kind of place where they would be a perfect cover, including interest, for the obligations in connection with the estate, if the government would be prepared to delay action on the particular succession duties until this case in the United States was cleared up.

Mr. McIlraith: Mr. Speaker, I should like to raise a point of order. The matter before the house is the motion for the production of certain papers. What the hon. member is now discussing is the detail of some tax matters of a particular individual, who happens to be involved indirectly in the case for which he is asking for papers. The hon. member is discussing the merits of that tax position, and the two matters are not related at all. What is at issue now and what should be debated is the question of whether the papers indicated in the notice of motion on the order paper should be produced. The wider question as to the merit of Mr. Eaton's philanthropies or lack of philanthropies, or the question of certain gifts which he has given or is proposing to give, is surely irrelevant to the point.

Mr. Fisher: Mr. Speaker, I was not trying to gild the lily: I just wanted to identify the matter and I will give the minister an undertaking that I will not go off on to any other point of that kind. However, I do want an opportunity of presenting the reason why I am interested in this case and the information I request.

According to the information which I have from the executor, the largest holding in the estate is a block of Investors Trust Limited common stock. When the U.S. internal revenue service made known its intention to attempt to establish Mrs. Eaton-Kaye's brother, Cyrus Eaton, a Canadian-born American citizen, as the owner of these shares, the problem of double taxation by Canada and the United States arose. The argument, Mr. Speaker, is simply this. If the shares which are supposedly in this estate belonged to Mr. Eaton and they are being taxed by United States authorities, obviously the question arises as to double taxation or even as to the ownership or validity of the shares which are held in the Eaton-Kaye estate.

The hon. member for Digby-Annapolis-Kings, then minister of national revenue, thereupon agreed that Canada would withhold collection of succession duties on the Eaton-Kaye estate until the conflicting legal question between Canada and the United States could be resolved. The hon. member for Victoria-Carleton (Mr. Flemming), when he succeeded to the office of minister, naturally honoured the agreement that had been made by

his predecessor, and also undertook to initiate a conference between the appropriate Canadian and American tax authorities as provided by the tax treaty between the two countries.

Subsequently, in 1963, the Department of National Revenue instituted proceedings in the probate court in Halifax to force settlement of the estate and, failing that, to remove Cyrus Eaton as executor. A hearing in the probate court is scheduled for April 24, 1964. Meanwhile the United States internal revenue service is in full swing in its attack on Investors Trust Limited with the intention not only of collecting taxes from Cyrus Eaton on the shares owned by his late sister, but also from American minority shareholders not in any way related to the Eaton family. The minority shareholder phase is in an advanced stage in the United States tax court in Indianapolis, Indiana, in a case involving the Irwin Miller family, prominent Indianians whose principal interests are with two companies, both with important operations in Canada. The Miller case raises questions of violation of both the United States constitution and the Canadian-American tax treaty.

For the purposes of the Miller case, the United States internal revenue service temporarily bypasses its attempt to establish Cyrus Eaton as the owner of Mrs. Eaton-Kaye's Investors Trust shares, and tries to develop a new interpretation of "attribution". Even if majority ownership of Investors Trust was lodged in the late Mrs. Eaton-Kaye and her sister Mrs. Eva R. Webb, a Canadian citizen and resident, the internal revenue service contends that because their brother is an American citizen and resident, Investors Trust becomes a foreign personal holding company under American tax law, and unrelated American minority stockholders are therefore to be subjected to punitive taxation on undistributed earnings and capital gains of Investors Trust, in addition to customary taxation on dividends actually received.

Counsel for the Millers has pointed out that, if this "unreasonable, unjust and absurd" contention should be sustained, every United States citizen who happens to have made an investment in a foreign corporation that is controlled by foreign citizens with United States relatives will nevertheless be subjected to taxation upon undistributed earnings of the foreign corporation, even though the United States citizens who are subjected to the tax would have no control whatsoever over the distribution of such earnings. Compounding the absurdity and injustice of such a result is the fact that the United States minority shareholders would in virtually every case be wholly unaware whether such foreign owners had relatives who were citizens or residents of the United States. It would follow that any United States citizen investing in a bona fide Canadian enterprise would do so at great peril, and this would undoubtedly go a long way toward foreclosing American investment in Canadian enterprises.

This highlights the fact that there is a case before the United States courts brought by the United States internal revenue service dealing with this whole question of the ownership, control and status of this holding company, Investors Trust Limited. As I understand it, the contention of Mr. Eaton, the executor of the estate of Mrs. Eaton-Kaye which falls within the ambit of the Department of National Revenue, is that he has offered to cover the amount which will be levied against the estate if it stands until the time that the United States court case is settled. When the United States case is settled and the whole question of ownership is cleared up, then Eaton is prepared to proceed on the whole matter with the Department of National Revenue, and as an example of his good faith is prepared to cover the obligation which has been assigned by the Department of National Revenue.

It seems to me, Mr. Speaker, that in asking for the information contained in this motion I am asking for something that is relevant to this whole question of the tax agreement between Canada and the United States. This is not a simple, clearcut matter of succession duties or of something under the Succession Duty Act. Something much larger is involved. In my previous experience as a member of this house I have been able to obtain information from the interchange of information between the Canadian and United States tax authorities. It is only fair to put fairly bluntly the reasons why I think this information is relevant to me and other members who may be interested.

It seems to me unusual that a person having died some six years ago and some kind of arrangement—I do not know how definite or how tentative it was—is made, in light of what was developing in the United States whereby the case would not be proceeded with, and then suddenly last year, while the case was still going forward, and an offer being made to cover the amount of tax which has been levied and to place it in the form of a bond, or an escrow, or whatever the term is, that this was not accepted or taken up by the government.

I realize that it is not the real purpose of debate on motions such as this to ask the minister for a whole range of answers to everything in connection with such a complicated matter, but the reason I wish to persist with my motion and to ask for this

information is because I think that if someone who does business in this country and is executor for an estate which affects a couple of institutions in this country of a very worthwhile kind has made some kind of request, which is usually honoured or agreed to, and has been turned down, and the government is proceeding with its action despite these representations or the previous consideration which had been given, then the government should be called upon to explain.

I know there are one or two other members in the house who wish to make some comments on this matter, and I see that I have exhausted my time, but I would plead with the minister to give us this information, and if he cannot to explain, in view of the information he has given me in this letter, why the particular material for which I ask would not be relevant to section 55 of the Succession Duty Act.

Mr. Robert C. Coates (Cumberland): I rather regret we have reached this point in debate on this question because I feel that had the government been willing to co-operate with Mr. Eaton in the proposals he has made about this matter—a very serious matter for my constituents in particular—we would not be forced into this debate and into the difficult decision which the government must make when involved in personal taxation and the divulgence of information associated with it.

At the same time, when I read the notice of motion proposed by the hon. member for Port Arthur (Mr. Fisher) I find that it would be quite possible for the government to provide the type of information he desires without at the same time divulging any personal details about the tax position of the individual concerned. What the hon. member for Port Arthur appears to be concerned with is what happened all of a sudden between the government of Canada and the government of the United States in relation to this subject. For many years there had been an indication of co-operation between the Department of National Revenue in Canada and the bureau of internal revenue in the United States. One of the results of action taken in both Canada and the United States in connection with the Eaton estate is that very large sums of money presently in the estate will be swallowed up by legal fees and costs.

In this regard I should like to put on record a few comments from the chairman of the Pugwash park commission who informed me in a letter dated November 4, 1963, as follows:

> As presently constituted, the park commission is playing an important part in local development, much of the money being channelled toward educational endeavours, and I know that this sum, if made available, would be of tremendous value locally. We are fearful that the estate may be absorbed by the tax collectors in Ottawa and Washington.

I can well appreciate the concern of the Pugwash park commission in this regard. There is $100,000 involved here which would go to this commission, and though the estate is substantially larger than that, succession duties, which, I understand amount to about $111,000 on a $356,000 estate, will make considerable inroads on this money. Associated with this we must face the fact that there is no way of knowing what the net result of the court action in the United States is likely to be or what amounts the revenue bureau of the United States intends to demand. In addition, there are the court costs and the legal fees involved as a result of actions taken in the courts in the United States and in Canada.

I feel that the proposal put forward by Mr. Eaton that he would, in effect, guarantee the succession duties involved to the Canadian government if it did transpire that the Canadian government was entitled to them was one which should have been given very serious consideration. Indeed, I believe it should have been acted upon by the present government when the proposal was made. It seems to me that the correspondence which the hon. member for Port Arthur desired might well provide us with the information we need in this regard. Unless we are given access to this correspondence we are obliged to make an assumption of some sort—an assumption which comes to my mind and which I should like to have removed. That is, it may well be, if one goes back a short time in history to the Premium Iron Ore case and the many developments related to it, that officials in the Department of National Revenue in Canada and their counterparts in the United States might well have reached the point of persecuting this man because he was successful in proving that the contentions he made in the Premium Iron Ore case were correct. Here again we see this man being badgered by tax collectors both in Canada and in the United States, and should it develop that once again the position he takes is proven to be correct, then indeed the type of motion which the hon. member has brought forward will bring the facts to light and provide us with information by which we can judge what action should be taken in this regard.

As I say, I regret we have to reach the point at which the government must undertake some soul searching as to whether or not certain information should be made public. At the same time, the hon. member for Port Arthur has indicated that a former

minister of national revenue, now the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) was willing to set a precedent in this respect and make information available to the public in the Premium Iron Ore case. I hope the government will take the same attitude in this case and make available the information which is now requested, or at least that portion of the information desired which will in no way involve the personal aspect of an individual's tax submissions.

I do not know what more I can say to the Acting Minister of National Revenue (Mr. McIlraith). I hope he will agree to the request of the hon. member for Port Arthur and try to do something which will eliminate the very heavy legal burden which is now being imposed on this estate. I should like to reiterate what the hon. member for Port Arthur has said about the man who is involved in this matter. Although he is presently a citizen of the United States, Cyrus Eaton, as I think the minister is aware, has a close association with Canada and especially with my constituency and with the village of Pugwash.

His efforts, while debatable in the minds of many, have been very significant from an international peace keeping point of view. The attention he has brought to Nova Scotia through the Pugwash conferences and his interest in agriculture in our province has been most significant. As the minister is considering this matter I hope he will consider it from the point of view of Mr. Eaton not being a citizen of the United States alone but rather a citizen of the world, a particular type of individual who has made a most significant contribution to the present state of world peace and an individual who has been very generous in his efforts to promote peace and an interest in Pugwash that will be lasting and of value to the people of my constituency.

We have a high regard for Cyrus Eaton in Cumberland county. We do not take kindly to the fact that while a former government agreed to co-operate with him to bring about the least amount of damage possible this estate is now faced with the particularly heavy burden of a lawsuit in the Canadian courts that does not need to be there. It would not be there if the government had been willing to go along with the proposal made by Mr. Eaton, but it is there because of some reason about which we have not been informed.

We would like to know why the government is taking this action. If the request for information that the hon. member for Port Arthur (Mr. Fisher) has made will provide this knowledge then I as a member of parliament am most anxious to see the information tabled. I am pleased that the hon. member for Port Arthur has brought this motion forward, although I regret that it was necessary for him to have to do so. I also appreciate the problem that the minister faces in reaching a decision whether or not this information should be made public. But I must indicate to him that in view of the surrounding circumstances I have no alternative but to support the hon. member for Port Arthur in his efforts to have this information tabled and I hope the minister will also support the hon. member in this regard.

Hon. H. J. Flemming (Victoria-Carleton): Mr. Speaker, I have only a few comments to make on this motion and they are brought about because of the fact that I had some connection with the Department of National Revenue at a time when the gentleman who is indirectly referred to in the motion had some difficulty, with which I became familiar. At that time, and in view of the circumstances which he related to me, I had no hesitation whatsoever in carrying out the suggestion made to my predecessor that the Canadian tax authorities might very properly use their influence with the American authorities with a view to implementing the very thing for which tax conventions are supposed to provide, the avoidance of double taxation. So the opinion which I expressed to the officials of the department was that an effort should be made to settle the matter with their American counterparts so that it might be settled once and for all.

I was assured by Dr. Eaton that as far as the succession duties owing to Canada were concerned they would be absolutely guaranteed, and it was on that basis that I became convinced that we should use our good offices to bring about a settlement of this matter.

With regard to the production of papers, I have some quite strong views on the production of papers relating to taxation with respect to an individual and as between countries. I think that such correspondence should be very carefully guarded. At the same time I suggest to the minister that I believe he should use his influence with the American authorities to bring about a settlement so as to avoid double taxation. I think it is possible to get this matter settled.

It is unfortunate that the hon. member for Port Arthur (Mr. Fisher) had to bring the matter before the house. I think it should have been settled without a motion for papers being necessary, but it has not been settled. I cannot vote for the production of such papers but I strongly urge the minister to use his influence and the good offices of his

department with their American counterparts to bring about a settlement of this difficulty.

Hon. G. J. McIlraith (Acting Minister of National Revenue): Mr. Speaker, I must say I am somewhat surprised at the tenor of the discussion on this motion. I want to read the motion before the house. It is in these words:

> 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 exchanged between the Department of National Revenue and the American authorities under the tax agreement between Canada and the United States with regard to the Eaton-Kaye case and any opinions which may have been obtained from the American authorities on the position of the securities and investment involved in the estate of the late Mrs. Eaton-Kaye since January 1, 1961.

It will be seen that the motion is so drafted as to ask for information with relation to a particular tax return, and is specifically limited to a particular tax return and the information in connection therewith. The discussion has ranged much wider and covered a very much broader field.

The hon. member for Port Arthur (Mr. Fisher) read a section of a brief pertaining to a certain subject. I do not know who prepared it or whence it came but in any event it dealt with a much wider area than the motion does. Then the hon. member proceeded to make certain statements of fact with regard to particular things having been done in respect of this tax matter.

The hon. member for Cumberland (Mr. Coates) said some things in his remarks about Pugwash park and so on with which I found myself in agreement, but the point I am seeking to make here, with deference, is that those remarks, however much we may agree with them, are irrelevant to the motion before the house.

Then, the former minister started to say what he had recommended in this particular case, and then he drew back from that and went on to deal with the larger question of the problems that arise in the double taxation field under the tax agreements between the two countries. This of course is a subject of great concern and very much open for discussion, but any discussion of it is not related to the particular case. I understood his remarks to indicate that that was what was involved in this case. Whether it is or is not, I find myself not in a position to say.

Here is the difficulty, as I see it. As a matter of public policy, surely the answer to this motion must be that since compliance with the motion would involve a disclosure with regard to the affairs of a particular person or a particular tax return, then surely we must adhere to the position that such information cannot be disclosed. In a moment I am going to read the relevant sections of the act that seem to support that general doctrine. This doctrine has been asserted for years by succeeding governments in connection with all questions of this kind requesting information about particular returns—

[Mr. Flemming (Victoria-Carleton).]

Mr. Fisher: Will the minister let me ask a question?

Mr. McIlraith: In a minute—or whether the information is requested in a notice of motion for the production of papers.

Mr. Fisher: Since the minister has narrowed this down to the particular Eaton-Kaye case, would he give me his opinion on a request for information exchanged between, let us say the government of the United States and the tax authorities on the question of the ownership of shares in Investors Trust Limited? I know that is not an easy question to answer, but I am trying to find out if it would be possible for me to so adjust or alter the motion as to obtain what I want and also meet the minister's objections.

Mr. McIlraith: I do not want to answer that question offhand. If the hon. member wants to deal with another question on behalf of the particular person who seems to have become the subject matter of this debate, although for the life of me I do not know why, if he wants to ask any questions of the other government, then that may be looked at. I would want to consider that rather carefully because that is quite a different thing from what is before us today.

In his remarks the hon. member made reference to sessional paper No. 189A dated March 12, 1959. I took the trouble to send to the *Journal's* office to get that return, but I find it does not in any way vary what I have just said. It does not violate, in any way, the position taken by myself as to giving the information asked for in this connection, nor the position stated by the former minister of national revenue on this same point. I do not want to read the return into the record because that would eat into the time available. However I invite hon. members to look at that return, and they will see it does not give any information relating to a particular tax return.

In support of the principle I have outlined, about its being contrary to public policy to give information about a particular return, I would draw the attention of hon. members to the succession duty act, which has since been repealed, but which governed the returns made in the earlier years in this particular case. Section 55 imposes an obligation of secrecy, and it reads as follows:

> No person employed in the service of Her Majesty shall communicate or allow to be communicated to any person not legally entitled there-

to, any information obtained under the provisions of this act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this act.

This was the provision contained in the old succession duty act. The provision in the Estates Tax Act is in slightly different form and says that, except as authorized by this section, no official or authorized person shall knowingly communicate or knowingly allow to be communicated to any person any information obtained for or on behalf of the minister for the purpose of this act. I merely cite these sections in support of the principle I have asserted.

It seems to me that the best case that could have been made from the remarks of the hon. member for Port Arthur in putting forward this motion is that he is seeking papers in a particular case in order to make a general argument concerning Canadian-United States tax relations. I am sorry to have expressed it this way, but that is the best I can take out of his case. However desirable it may be, surely that general proposition cannot be used as an argument for disclosing the information in a particular case and to get the returns made in a particular case. It seems to me that is something nobody would question. Otherwise, any member in this House of Commons could come forward, and if he were skilled as the hon. member in making his argument on a general proposition that he wanted to discuss, obtain any tax return or any information on any tax return by relating it to a general proposition which is, properly the subject of the House of Commons. There is a method by which persons who are concerned with particular tax returns can get information, but it is very strict and very difficult and they must assume certain responsibilities when they obtain it in that way. Surely, they should not be able to come into the House of Commons and obtain not only the returns of taxpayers—

Mr. Fisher: I wonder if I could ask the minister if he would define "tax returns" in the sense he is using the term? I had not thought that what I was asking for was a tax return in any sense. I thought it was material relevant to a particular question in connection with a tax case.

Mr. McIlraith: Perhaps I used the words loosely, but I have been accustomed to using them that way for many years. In estate work, you file the return on the prescribed form and it is invariably followed by a great deal of supplementary information by way of correspondence, company statements and other supplementary material. I have always used the term "tax return", when referring to that kind of correspondence, including all the documentation because, except in very small estates, the information is rarely embodied in the first document filed.

In income tax cases that would not be true; but that is the practice in estate tax work, and I had used the income tax term rather in the sense of embracing all the information that is obtained in order to enable the tax authorities to make the assessment and to determine the amount of tax payable.

Now, there was one other assumption and I hope the hon. member for Cumberland (Mr. Coates) will not mind my checking him on it. It was his assertion of his assumption of officials persecuting the taxpayers. In discussing a motion for the production of papers I definitely suggest it is going pretty far to make such assertions about what was done or not done in the particular case, because I am not in a position where I can come forward and agree or disagree. I am not going to agree with the figures he has given because that would be giving the information about the taxpayers returns by one device or another, and I do not propose to do that. I would hope it would not become the practice to make that kind of charge on these motions.

He referred to the generosity proposed by a former minister to Mr. Eaton. Surely that is not the basis of our handling of tax cases. To me it is absolutely essential that there be great strictness in applying the tax laws equally under the statutes, and I would hope there was nothing implied by any deviation from that policy, however worthy or unworthy the individual person concerned may be.

The point I want to make is that his worthiness or unworthiness is surely irrelevant, and reference to generosity of a taxpayer cannot be the basis of dealing with these matters. The obligation of a government must be to apply the taxes equally to all persons in precise accordance with the law, and I would take it that it was not intended to deviate from that.

I see it is getting on and my time has almost expired, but I would like to get a determination of this motion. For the reasons that I have given I have no alternative but to refuse the motion because I believe it means giving tax return information about an individual taxpayer's affairs.

Mr. Fisher: May I ask one question before the minister sits down?

Mr. McIlraith: Yes.

Mr. Fisher: In the communication which the minister was kind enough to send me, and I appreciate the fact that he did give me

some information, he indicated that representations were made by Mr. Eaton to successive ministers, and one minister in the previous administration agrees with this. That has raised the possibility that there is another element involved in this, apart merely from the succession duties aspect of it.

I would ask the minister whether in view of the, let us say, very high wall which he has now built up against giving any information of any kind, could I or any other member get information on this other question which is related to the estate but involves another principle?

Mr. McIlraith: I must say, about the letter, that it was not written by me. I had not seen it until this afternoon, but I must take responsibility for it. However, had it been seen by me I can assure you it would not have been sent out. In any event, coming to the narrow point raised by the hon. member, I would be willing to look at the possibility of examining what he has now raised in debate, to see if there is any information that could properly be given without violating the principle I have asserted. I cannot give a categorical answer on it now, as I should like to study it pretty carefully.

Mr. Fisher: I would be prepared to withdraw the motion if the minister would give me the assurance that he is willing to sit down with the hon. member for Cumberland and myself, and just talk over the possibilities of giving us information on the general questions we have raised in connection with this other aspect of the estate.

Mr. McIlraith: If that is limited to the public part, the general question, I would be very glad to discuss it with the hon. member to see if there is anything that can be given.

Mr. J. E. Lloyd (Halifax): Mr. Speaker, I would like to urge upon the minister, if it is at all feasible, that he accept the proposal of the hon. member who has just offered to withdraw his motion. In view of the things said today I think we would be derelict in our duty if such a conference was not held before we proceed with any other technical procedures that may be involved.

Mr. McIlraith: I want to make it clear that I would not give any information about the individual return.

Mr. Lloyd: It has been suggested that an offer has been made by a taxpayer to lodge securities in settlement of an obligation to the crown. In the light of what assets are available for the crown to attach, which so far as I know are limited, if anything, I would suggest this matter is of great urgency for such a discussion.

[Mr. Fisher.]

Mr. Fisher: If I understand the minister correctly, then I am prepared to withdraw the motion. I then look forward to having the opportunity to discuss with him, together with the hon. members who have taken an interest in this, what information it may be possible to give us, always having regard to the fact that under the rights of the house I can come back and frame my motion in another way to get more properly at what I have been asking.

The Acting Speaker (Mr. Batten): Order. Does the house give unanimous consent for the hon. member for Port Arthur to withdraw his motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

Mr. Speaker: The hour appointed for the consideration of private members' business is now expired.

BUSINESS OF THE HOUSE

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows: First: the hon. member for Kootenay West:

As a result of the administrative seesawing with respect to ARDA, has there been any delay in the development of programs and the study of proposals presented to the government, or in the processing of agreements?

[*Translation*]

Then, question No. 2:

In view of the fact that in 1962 an act was passed by parliament making provision for the building of a railway in Gaspe peninsula, does the government intend to renew this act before it expires on December 31, 1964?

[*Text*]

Question No. 3: the hon. member for Parry Sound-Muskoka:

Is the minister prepared to table any maps prepared by the representation commissioner under section 8 of the Representation Commissioners Act, for reference during the debate on the redistribution bill?

The house will now revert to the business which was interrupted at five p.m.

REDISTRIBUTION

PROVISION FOR BOUNDARIES COMMISSIONS AND READJUSTMENT OF REPRESENTATION

The house resumed consideration in committee of Bill No. C-72, to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith—Mr. Pickersgill (for Mr. Pearson)—Mr. Batten in the chair.

The Deputy Chairman: It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

On clause 6—*Appointment of chairman, etc.*

The Chairman: Order. House in committee of the whole on Bill No. C-72, an act to provide for the establishment of electoral boundaries commissions. When the committee rose at five o'clock we were considering clause 6 of the bill and an amendment thereto by the hon. member for Winnipeg North Centre. Is the committee ready for the question?

Mr. Nielsen: Mr. Chairman, we heard before the supper adjournment a few innuendoes cast at members of the opposition for taking what I conceive to be a proper stand and being critical of the amendment proposed by the hon. member for Winnipeg North Centre, particularly with regard to the composition of the commissions which must be set up. I noticed that when we were debating this question for a good portion of the afternoon the Prime Minister was in his seat. This to me indicates a proper interest in the amendment that was proposed by the hon. member for Winnipeg North Centre. I am sure he was here to hear the remarks of hon. members in so far as they concerned the integrity of the leaders of the two main political parties in this country with respect to the appointment of members who would be comprising the commission that is to be set up.

I want to say a word or two about the comments of the hon. member for Port Arthur, when he was being so vehement about the integrity of the judges and the impartiality of the judges who would appoint the other two members of the committee. There were questions that we put to the hon. member which I do not think he answered satisfactorily and which I do not think the hon. member for Winnipeg North Centre has yet answered in any satisfactory fashion. I am therefore going to put them again. Questions that occur to my mind are these. Here we have a member of the party to which the hon. member who proposed the amendment belongs saying that we should trust implicitly the judgment of the judges who are to appoint the other two members. They say this on the one hand, and yet on the other hand they say: We are not going to trust them absolutely, because we are going to subject them, in the third classification of these selections which they may make, to the approval of the representation commissioner. It seems to me, sir, that you either have implicit confidence in the choice of the judges, or you do not have that implicit confidence. The very words of the third section of the amendment suggest that the member who proposed the amendment does not have that confidence which he says he has.

If you subject the selection of the judges to the approval of the representation commissioner, surely this erodes at the very foundation of the confidence of those members who support the member for Winnipeg North Centre in the amendment he proposes. It seems to me that if the hon. member asks the members of this committee to appear to be pure, he must also go the full circle and be pure himself. We have heard many words spoken in committee this afternoon about the lip service that is paid to impartiality and purity in the commission that is to deal with the selection of the members who are to serve on these commissions. I cannot think of any better provision than that which now appears in the bill to assure the impartiality that the hon. member for Winnipeg North Centre desires to be present in the commission which is to be considering the boundaries that are to be revised.

We have heard of the existence of certain maps. I have not seen any maps that have been drawn by the representation commissioner or his staff, but I think if such maps have been prepared we, as members who are vitally concerned with the composition of the commission, are entitled to see them; for surely if the representation commissioner and his staff have gone so far as to prepare these maps, I submit it suggests, sir, that a decision has already been made. I think the hon. member for Ontario raised a very important point. The point he raised was that the maps that have been prepared, have been prepared on the basis of a 20 per cent tolerance. If this is so, there surely has been a bypassing of the very responsibility that this committee is charged with, namely whether the tolerance is going to be 20 per cent; because if the maps as they exist have been prepared on the basis of a 20 per cent tolerance, it seems to suggest that the assumption has been made by those in power that this is going to be the tolerance regardless of the views of this committee and regardless of the views of parliament, and whether or not parliament passes this provision in the bill, the maps have been produced and these are to be presented to the representation commissioners.

This places the commission in the position of being a rubber stamp. This suggestion has been made before and it is one that has not

yet been answered by the Minister of Transport or by the member who has proposed the amendment. Many innuendoes have been made by the Minister of Transport as to the motives of this committee in advancing criticism of the various provisions of this bill. Every hon. member who has risen so far to speak on the bill has, I am sure, advanced constructive criticism on clause 6 and on the amendment proposed by the hon. member for Winnipeg North Centre. I have said before, and I say again, that there can be no question about the Prime Minister of this country and the right hon. leader of the official opposition making selections on a basis that will be acceptable to all Canadians wherever they may be. In this amendment we have the proposal that we are going to take away from those gentlemen, who are most familiar with and most experienced in the problems involved, the matter of reconstructing the constituency boundaries of this country and place it in the hands of people who know nothing about it. Surely we must have consideration of the fact that the Prime Minister and the right hon. Leader of the Opposition have some small knowledge of the political considerations that should go into the reconstruction of constituency boundaries. It seems to me that we are degrading the very foundation of our parliamentary institution in the country by even suggesting that anybody other than the Prime Minister and the Leader of the Opposition would be most capable and most suited to make the selections of those who are to serve on the commission.

The Minister of Transport also suggested that there was some question as to the honesty of the motivation of hon. members on this side of the house when they were advancing criticism of this bill. He made mention to the hon. member for Winnipeg South Centre strapping on his sword and buckler in order to defend the virtues of the criticisms of members of the opposition. I suggest to him that we on this side have every reason to be suspicious in view of the obvious deal which has been made between the Liberal party and the New Democratic party with respect to this particular amendment, of anything that is advanced by the Minister of Transport or members of the treasury benches.

Mr. Woolliams: You mean, they are married.

Mr. Nielsen: I think, as the hon. member for Bow River has suggested before, there has been an obvious bundling under the bedclothes here with respect to this amendment—and if the minister were honest with himself, he would agree.

[Mr. Nielsen.]

There is one other matter for which the Minister of Transport must be brought to task, and that is that, according to page 741 of *Hansard,* he led us to believe that this bill would advance through the committee stage —and this was the reason it was passed with such facility on second reading—without any question of an amendment to clause 6. Then all of a sudden we are confronted with an amendment which has been the product of the deal which has been arranged between the Liberal party and the New Democratic party.

Mr. Macaluso: Mr. Chairman, I rise on a point of order. I find the remarks of the hon. member very repugnant, as I am sure do all hon. members on this side of the house.

Some hon. Members: Oh, oh.

Mr. Flemming (Victoria-Carleton): What is the point of order?

Mr. Macaluso: Perhaps hon. members will allow me to get to it. The hon. member for Yukon referred to members on this side of the house making deals with the hon. member for Winnipeg North Centre. Many hon. members on this side of the house have expressed their disagreement—

Some hon. Members: Sit down.

The Chairman: Order.

Mr. Macaluso: Perhaps I am wrong and there should be a point of privilege. The hon. member for Yukon made remarks directed against members on this side of the house; he said that they were making deals. Many of the members on this side have spoken against the amendment offered by the hon. member for Winnipeg North Centre, so I do not think there has been any deal or bundling under the bed clothes. The hon. member is making remarks in his usual manner, not based on the facts at all. I think that before the hon. member says that there have been any deals or bundling he should give us his facts for that statement. As far as I am concerned and as far as many other hon. members are concerned on this side of the house, we know of no such deals, and the hon. member, in his usual, ineffectual—

The Chairman: Order, please. I am sure the hon. member agrees that no question of privilege arises there. This is a matter for debate.

Mr. Nielsen: I have used the words of the Minister of Transport himself. I have heard only three speakers on the opposite side who have had the guts to get up and say what they think of this bill. They are the hon. member for Welland, the hon. member for Vancouver

Quadra and the hon. member for Vancouver-Burrard, and I should also include the hon. member for York-Scarborough.

Mr. Hahn: Mr. Chairman, does the hon. member not realize that there are many members on this side of the house who were prepared to support the original bill until hon. members on the other side of the house started speaking?

Mr. Nielsen: First of all, Mr. Chairman, may I welcome the hon. member back to the house. Second, may I say to him that we are not included in these deals which are made between the N.D.P. and the Liberals, so how are we to know whether hon. members opposite are prepared to support the original bill? However, I am glad to hear it because I think the Minister of Transport led hon. members on the government side to believe that they should support the original bill, and it was not until the Minister of Justice, with that way he has of often contradicting the Minister of Transport, came into the house and intimated the opposite that there seemed to be some difference of opinion among the government members. If that support that the hon. member who raised a question of privilege indicated exists does in fact exist, then I am exceedingly happy because I for one have faith in the judgment of the Prime Minister of this country and the Leader of the Opposition to make these selections.

Mr. Kindt: Mr. Chairman, I am amazed at the Minister of Transport and at the way he is trying to pilot through the house this particular piece of legislation. I want to say to him that if he, in turn, would stick to his original thinking, which was sound—and often times first thoughts are a lot better than second thoughts; not always, but in this case they are—then this house could get on with the business in front of it.

Just think what it would mean if we had a commission appointed by the chief justice of a province who, in turn, would appoint a member of the bench of that province as chairman, and who had the task of appointing two other people to the commission. These appointees would sit down with the commissioner and they would make the decisions. They in turn would owe allegiance to the people who made the appointments. One might try to comfort his mind by thinking that it was something which would be far above partisan politics, but other elements enter into the making of these appointments which throw the whole thing into the wrong perspective. The hon. member for Welland put his finger on the point when he said that he would not want to criticize the judge who made those appointments. Neither would I, nor would any other hon. member of this house. Therefore, let us think twice about passing any legislation which draws the judiciary into, and makes them part of, political controversy.

I think such a step as that would be a mistake, and that the Minister of Transport is not helping to get this legislation through by sitting there in his pilot's position, smiling, but doing nothing about it. He is just sitting there. If he wants this legislation to go through he had better start thinking.

Some hon. members have suggested that the commissioner should make these appointments or that they should be submitted to the commissioner for approval. If my guess is right there are plenty of functions and headaches in front of the commissioner without loading him up with this particular problem, and I hope that we in this house will have some sense and make the work of the commissioner possible instead of submitting him to any such task as this.

That brings me back to the question how the job should be done. The original suggestion was that the Prime Minister would make one appointment and that the Leader of the Opposition would make the other. I have talked about this to a great many members. We have thought about it and discussed it from every angle, but there is no way that I see to improve the wording of the original bill.

I have nothing to say against appointing other officials to this commission, university professors, for example. There are many fine, upstanding and intelligent university professors. But I think it would be an imposition on them to ask them to do this work. Their minds are attuned to a particular field which is not a political field, and in order to think intelligently about constituency boundaries one is immediately brought into a political arena. Why should we expect a professor of history or a lecturer in law to sit with a judge and produce a wise final decision with regard to constituency boundaries? Even with the help of the commissioner, how could these people put their minds to it and come up with the right answer? This is purely a political matter. The suggestion which was originally made might be open to criticism, but I can assure the minister that the amendment, if it were to be accepted, would be subjected to even stronger criticism. The original proposal put forward by this government has the greatest merit of any which have so far been placed before the committee.

When it comes to the question of confidence, I believe the men appointed to these committees must be good men, sound men, men not placed on those commissions because of any political feeling. Lord knows, there are

plenty of those. If the Leader of the Opposition had the power of appointment there would be no problem in the Conservative party about getting good men appointed and I believe just as strongly that with all the men he has to choose from in the Liberal party the Prime Minister would be able to appoint men who would do a good job, men who would work with others on the commissions and produce results which would be acceptable to all.

I am interested in how these commissions would carry out the work assigned to them. It is true they will get guidance literature. Some of this has already been published in various articles and released to the public. Much of the information I have comes from these sources. I have done some study and research in connection with the system in Australia as well as with the system followed in Britain. I have had the benefit of talks with others interested in this subject and the big problem concerns the tolerance; is there to be a 20 per cent or a 30 per cent tolerance? Or is the figure to be still greater?

The Chairman: Order. May I remind the hon. member that we are trying to consider clause 6 which has to do with the appointment of the chairman and other members of the committee. By agreement some time ago it was decided that the question of tolerance be left until we reach clause 13.

Mr. Kindt: I was trying to establish the fact that these commissions will have to do a certain amount of work with figures in order to decide what the boundaries should be. I am concerned with how this work will be done. These are details about which the minister knows but with which, apparently, he is not concerned. This is where the fly in the ointment is. This is where the nigger in the woodpile is. The minister has this information, but he will not tell us how it is being figured. What is happening is this: They start with the cities and then work out to the country, and in making their calculations what is left over from the country is the residual. The commission then decides what the tolerance is to be and how much is to be given to the country. The percentage may range from 1 per cent to 20 per cent or from 1 per cent to 30 per cent, depending on whether you start with the rural areas and go into the cities or whether you start with the cities and go out into the country. There is a feeling that there should be representation by population. There is all too much of that thinking in the minds of those who may be doing this figuring and I think we should consider the matter carefully before we pass this legislation.

[Mr. Kindt.]

As to what may have already been done, I do not think that any maps which have been worked out or printed should necessarily be spread on the table where they could be published in the newspapers or elsewhere. I think it would be altogether premature to do that. I do not think any of these maps are final. But if they could be examined behind the scenes in some way so that everyone could see the method which is being followed I think it would be of advantage to this committee. That could be done as long as the information was not published in newspapers across Canada—and as long as the Minister of Justice, who is smiling, would not see his constituency on the map at the present time, because these maps are bound to be only tentative and no one would want copies of half a dozen tentative maps published all over Canada.

The commissioner was appointed under an act of parliament to do the job he is now doing, and undoubtedly he has been working on it for six or eight months, following a process of trial and error, and comparing different systems to find out whether this or that particular method would work or not. I imagine he has these things pretty well worked out, or at least I have heard this suggestion by other hon. members. I still think a committee of the house might go and examine these maps and then come back and report to the house if it wishes. However I do not think the information should be published in the newspapers far and wide at this stage. I do not think anybody would want that done. But since this is public information I think it should be made available in some way to members of this house or to a committee representing members of this house.

An hon. Member: What about clause 6?

Mr. Kindt: I want to say something about how these commissions are going to do their work. Therefore I am on clause 6; I am right on the bill. I am just about through. There is another factor about the way these commissions are going to do their work. They are going to be faced with the problem of making decisions on things about which they do not know anything. They will have to be arbitrary and operate in the dark unless somebody is invited to give them suggestions. Therefore I think there has got to be some sort of mandatory public hearing to give members and others a chance to offer suggestions. In my view this should be embedded in the legislation for the guidance of the commissioners so they can properly discharge their function, in order that when the job is done everyone will feel that he has had something to say about the moulding of the decisions. Then you would

have agreement. You will never get 100 per cent agreement but you will come closer to it by proceeding in that way than by leaving the matter to arbitrary decision.

I do not see how any commission that is set up is going to be able to operate and do this job without some opportunity being provided for members to offer suggestions as to what changes should be made when the new boundaries of their constituencies are being drawn.

Mr. Carter: Mr. Chairman—

Mr. Pigeon: A real filibuster.

Mr. Carter: —I should like to take a few minutes to say why I think we should adopt this amendment. My first reason is that in my opinion it is more in keeping with the general principle of the bill than the present clause. I say that because the general principle of the bill, which was adopted by the house, is that we should have some impartial method of revising the electoral boundaries. The more impartial we can be the more we will be keeping to the general principle of the bill.

The reason we are taking this step is that in the past we have been criticized for following the old method of redistribution. That method was to set up a parliamentary committee whose members were chosen, if you like, by the prime minister, the leader of the opposition and the leaders of the other parties. The present clause in the bill retains part of that principle. It is not quite as fair as the amendment because it retains the principle for only two political parties and not for the others. The amendment takes care of that, and I think that is all to the good. Either we want to get away from the old method of redistribution or we do not; and if we do not, let us be honest about it. But if we do want to get away from it and be as impartial as we can be, then I think the amendment offers a better way of doing it.

I should like to say a few words in reply to the arguments that have been presented by way of objecting to judges appointing the commissioners. To my mind these arguments overlook several very important factors. Perhaps the most important factor of all is that a judge has a reputation for impartiality to maintain.

Mr. Clancy: Would the hon. member permit a question?

Mr. Carter: I will answer when I am finished, but I do not want to be interrupted now. I do not think any man who has the prestige and integrity to be appointed to the high office of judge is going to jeopardize his reputation by making political appointments to a commission of this kind.

The arguments we have been listening to overlook another very important point. They seem to create the impression that once a judge appoints the members of a commission he in some way controls the commission. Nothing could be further from the truth. That argument overlooks the very important fact that whoever the members of the commission may be, they do not have a free hand. They are bound by certain rules that are laid down in the legislation and they must conform to those rules.

Another important fact which has been overlooked is that in addition there will be a third party on each commission, the representation commissioner, who is to oversee and supervise the work of the commissions and to make sure that the rules are observed. The fourth point that has been overlooked is that if any member is not satisfied with the recommendations of the commission there is a remedy provided in clause 20 whereby he can object. I do not see very much room to criticize the giving to judges of the power to appoint the members of these commissions, but I must say I do not like the idea, once a judge has been selected, of restricting the group from which he may make appointments. In some respects I think this is a contradiction in that it reflects on our confidence in the judge. If we have so much confidence in him that we are prepared to give him the authority to make appointments I think we should have sufficient confidence to believe that he will select the best and most competent people. I should like to see that done.

Mr. Nielsen: How about confidence in the Prime Minister?

Mr. Carter: With regard to the general principle, I do not think there is any reflection implied with respect either to the office of prime minister or the office of leader of the opposition by taking these appointments out of their hands, and I think this is what the majority of the people of Canada would prefer. That is why I support the amendment.

Mr. Dinsdale: Mr. Chairman, I have not taken part in the discussion since last fall when this matter was first before the house at the last session. I enter the debate at this time in the hope that I can be of some assistance to the Minister of Transport who, in the several interventions he has made in this debate, has indicated that he is uncertain and undecided as to the merits of the provisions in clause 6 of the bill, or the amendment.

As I listened to him speak this afternoon I thought there was still a possibility that if we could emphasize some of the important points that have been brought out in the discussion the minister would go back to his

original decision and withdraw his support of the amendment before the house. I am sure that before the government presented the bill to the house it received long and careful consideration. As a matter of fact, at the resolution stage there was an indication on the part of the Minister of Transport that he was openminded and flexible, and was searching for the right answers. I am sure that the advice he received at the resolution stage—

Mr. Pickersgill: There was no resolution stage of this bill.

Mr. Dinsdale: I am referring to the bill that preceded this and is very closely related to the bill that is under discussion. On top of that, Mr. Chairman, this subject is one that has been discussed in the house almost from time immemorial. As a result of the obvious abuses of the old system—

Mr. Pickersgill: I wonder if I could ask the hon. gentleman a question?

Mr. Dinsdale: Certainly.

Mr. Pickersgill: To whom does he attribute what he is pleased to call the abuses of the old system?

Mr. Dinsdale: As a member of parliament with the background of the minister, I am sure he is asking a rhetorical question. He is an historian, and if he is typical of Canadian historians, in discussing our political and parliamentary processes he must have been one of those who has described the partisanism and the raw and brutal one-party gerrymandering that has gone on in this process of redistribution since the beginning of this country as a nation as something which has applied to all generations and to all governments.

Mr. Pickersgill: And does he not place the blame, in each case, on the government of the day?

Mr. Dinsdale: Yes; this is precisely my point.

Mr. Pickersgill: And upon the prime minister who would be the head of the government, each time?

Mr. Dinsdale: I am coming to this point in a minute. Since I sit opposite the Minister of Transport, I am subjected to his bad influence in this house when he is constantly breaking the rules, but I do not believe he can point to one instance where I have ever interrupted him. He is deliberately interrupting me at this stage and trying to get me off my stride as I begin my comments. I think from the standpoint of fair play he should let me follow the line of argument that I shall endeavour to pursue, and I will deal with the particular he has raised in due course. I am not going to rush into it without my preliminary observations because it is my conviction, having followed this subject over the years and having listened very carefully to the discussion, that he is confused. He admitted this himself yesterday. He said he was in an awkward position, that he was embarrassed, because of the obvious about-face he is making with regard to clause 6 of the bill.

Before this bill was introduced, it had been very carefully considered by the cabinet. Certainly, a provision such as is contained in clause 6 must have been considered with great care because as the minister has indicated, and as the hon. member for Winnipeg North Centre has indicated in moving his amendment, it seems there is a violation of the principle of non-partisanism that we are trying to avoid in bringing this legislation before the house. A great deal of attention has been given to this matter. This subject was not presented to this house without a detailed examination at various times, and particularly in recent months.

What is the purpose of the bill? Here is the point I want to make, as the major point in my argument tonight. We are trying to do away with the raw, brutal process of gerrymandering by one party, which is the government of the day, the party in power, which has always been the process whereby redistribution in this country has been carried out. In other words, we are trying to get this procedure out of partisan politics. Now, I take very violent exception to the statement of several members that they are trying to get this matter out of politics. This point has been made on several occasions. How can you get the important item of redistribution of the electoral districts of this country out of politics, since it is one of the vital aspects of political life in this nation? As the Minister of Transport has asked, who was responsible for the raw, brutal partisan gerrymandering that has occurred in the past? It has been the government of the day, and the prime minister who has been the head of the government.

The purpose of the bill is to remove this process from partisan politics and make it possible for all members of the house, as well as disinterested and qualified Canadians outside the house, to have a role in carrying out this procedure. I am surprised also that the hon. member for Winnipeg North Centre, in moving this amendment, has indicated he wants to get this matter of redistribution out of politics. As the hon. member for Edmonton West said last night, politics is the science of government. I was especially surprised at the remarks of the hon. member for Port Arthur this afternoon because he was rather

critical of politicians participating in this process. When the hon. member first came into the House of Commons, he was critical of politicians. He thought they were a rather dull, stupid group of people.

Mr. Fisher: I rise on a point of order, Mr. Chairman. I never said that, and I do not want it left on the record without challenge.

Mr. Dinsdale: I think the hon. member will agree that when he first came into this chamber he was rather critical of the level of performance of members.

Mr. Fisher: And I still am.

Mr. Dinsdale: I have seen comments made by the hon. gentleman in the newspaper, particularly in discussion with another distinguished journalist who writes for the Toronto *Telegram*, and has stoutly defended the quality of the performance of the members of this house.

Let us be absolutely certain what we are trying to do. We are not trying to get this out of politics: We are trying to get this out of partisan politics. I believe the bill we have before us is designed for just that purpose. I am sure after listening to the Minister of Transport, the sponsor of the bill in this house, that he himself feels the provisions of the bill as they stand adequately serve this purpose. We all recognize, of course, that as well as politics being a science, it is an art. I think one of the reasons among many that it is desirable for the officials of this house at the highest level, the Prime Minister and the Leader of the Opposition, to have a role in designating the personnel who shall make up the membership of these redistribution commissions, is the fact they have demonstrated in their long careers in public life and in their many services to Canada in various capacities, that they have the necessary artistic talents and qualifications to carry out this responsibility in the redistribution of the boundaries in a way that will take into consideration the political considerations.

How can anyone, who has not the insight of long experience in the political life of this nation, carry out these responsibilities? I do not see anyone who is better qualified; yet the members of the government are supporting an amendment which would remove this function entirely from the realm of politics. I am afraid this is something that could not be realized, no matter who chooses the personnel and no matter how scientific the choices might be. There has to be a sense of artistry about this matter that only the experienced and skilled politician is capable of giving.

Mr. Teillet: May I ask a question?

Mr. Dinsdale: Certainly.

Mr. Teillet: Just following his recent remark, perhaps I did not hear the hon. member properly, but I thought there was an implication in his remarks that non-partisanship had not been achieved in the province of Manitoba in the method used there.

Mr. Dinsdale: Mr. Chairman, I have not mentioned Manitoba but I will, in just a few moments. The hon. gentleman opposite is anticipating my speech. Both the Minister of Transport and the Minister of Veterans Affairs are Manitobans, and no doubt all Manitobans think alike on these matters. Perhaps that is the explanation for their anticipation.

Why should we downgrade and publicly criticize the Prime Minister of Canada and the leader of Her Majesty's loyal opposition? We can go back in history, and I would say without exception, regardless of the party stripe, the successive prime ministers we have had with responsibility for the government of the nation, and the successive leaders of the opposition have been men of outstanding capabilities. Indeed people do not come to these positions without being men of character and integrity. For the government publicly to downgrade their qualifications for participating indirectly in this innovation, in this pioneering effort in the political life of the nation, is certainly not in the best interests of parliament.

There is another strange anomaly that appears to me. The government and the hon. member for Winnipeg North Centre are quite happy to cast the responsibility for the selection of personnel on to the chief justices and the representation commissioner. Now both these gentlemen, a group in the case of the justices, and a single gentleman in the case of the representation commissioner, are appointees of the governor in council. And who is the governor in council?

Mr. Knowles: I am sure the hon. member would like to keep the record straight. The representation commissioner is not an appointee of the governor in council; he is an appointee of the House of Commons.

Mr. Dinsdale: That is fine. If that is the case, and if the hon. member for Winnipeg North Centre approves of this principle of the house appointing officials of this kind, why not extend it to the appointment of the other personnel who will be serving on these commissions?

Mr. Knowles: May I ask another question?

Mr. Dinsdale: Just let me finish my sentence.

Mr. Knowles: May I ask a question?

Mr. Dinsdale: I am in the middle of a sentence.

Mr. Knowles: Fine.

Mr. Dinsdale: The hon. member has almost interrupted my train of thought. Perhaps that is what he wanted to do. You ask the question, and I will come back to my argument in a moment.

Mr. Knowles: Does the hon. member not realize that if there were any way in the bill itself to name the actual persons or the actual offices of the persons to fill these positions, we would do so? We have suggested this from time to time, and it was because it was not possible that we produced this formula.

Mr. Dinsdale: Mr. Chairman, the thought has returned to me. One of the complaints we have heard from hon. members was to the effect that members of parliament, who are most concerned and most knowledgeable in constituency redistribution, were not going to have the opportunity to have any say. This is one of the weaknesses of the legislation as it stands. I would now like to ask a question of the hon. member for Winnipeg North Centre. Does he not think that during the process of debates here—and we all have free access to these discussions—it is possible to get recommendations placed before the Prime Minister and the government which would have a strong influence on determining the choice of personnel that he would select for these commissions? This is one of the ways in which members of parliament can participate more directly.

Mr. Knowles: Would the hon. member like me to answer that question?

Mr. Dinsdale: Yes.

Mr. Knowles: My answer is that I do not think members of parliament should have any say in the matter of the persons who will be on these commissions if we believe, as we agreed in our vote on second reading, that we want them to be completely impartial and independent.

Mr. Dinsdale: Impartiality from a human being is impossible, and the hon. member knows that. The Minister of Justice holds up his hands in horror.

Mr. Favreau: Yes I do.

Mr. Dinsdale: The only man alive today who is completely impartial is the man suffering from a mental vacuum.

Mr. Knowles: Does that hold for the judges throughout the country?

Mr. Dinsdale: Surely, as members of parliament, we have convictions? Surely we know the position we take? I am sure you will agree that impartiality is not a part of the substance of human relations. Now, let me carry this one step further.

Mr. Sharp: What about judges?

Mr. Dinsdale: The Minister of Trade and Commerce asks what about judges?

Mr. Sharp: That is what they are appointed for—impartiality.

Mr. Dinsdale: Well, it all depends what you mean by impartiality. Justices have viewpoints. They have opinions. They do not operate in a vacuum, any more than do members of parliament.

Clause 6 as it stands is the only way to overcome another major objection that has been raised regarding this legislation. There are strong suggestions that it would be much more desirable to have a single commission rather than ten, one for each province. The Prime Minister and the Leader of the Opposition represent the national viewpoint, and it is only through these men, who are the leaders of parties of national perspective, that we have any hope of bringing about some degree of uniformity between the regional areas and between the provincial areas of the country. I am sure this is one of the reasons why the Minister of Transport included this clause in the bill.

It is significant that it is a member of the N.D.P. who has put forward the initial amendment. That group is suspicious of members of other parties; and well they might be, because we all, as I have indicated, have a partisan frame of reference. But if the hon. member for Winnipeg North Centre hopes to overcome any disability in this regard, he had those hopes rudely shattered this afternoon. I think he was in the house when the Minister of Transport said quite specifically that there was no hope of any N.D.P.'er being appointed to these commissions. If that is not political bias, I do not know what is. I do not know on what grounds the Minister of Transport said this, but he said there was absolutely no possibility of an N.D.P.'er being appointed to these commissions. I do not know why he said it, but it does indicate the bias that is present in the minds—

Mr. Pickersgill: Mr. Chairman, I know that the hon. member does not want to denature my remarks. I said I did not really think the chief justice of Ontario, the chief justice of Quebec, or indeed the chief justice of any Canadian province would be likely to appoint a professor who was a notorious member of

the N.D.P., and I do not think the chief justices would appoint anyone who was a notorious member or organizer of the Tory party or the Liberal party either; and if I thought they would, I would not want to trust them with these appointments.

Mr. Woolliams: That doesn't make it right.

Mr. Dinsdale: I did not intend to denature the minister's remarks at all, but as I recall it he went even further than that, now that he brings the subject to my mind; he said that anybody who was foolish enough to belong to the New Democratic movement would expect such a situation to prevail, and I do not think I am misquoting him in that respect. He referred to the N.D.P. members being foolish. They are putting forward this amendment.

Mr. Pickersgill: Mr. Chairman, on a question of privilege, I think I am entitled to have my words quoted by the hon. gentleman, and not misquoted. I said I would not be so foolish as to be a member of the N.D.P. I never said that anybody was foolish in being a member of the N.D.P. And as a matter of fact, if I had to choose between the N.D.P. and the kind of exhibition we have had from immediately opposite today, it would not be hard to choose.

Some hon. Members: Hear, hear.

Mr. Woolliams: Mr. Chairman, speaking to the point of privilege, my answer to the minister would be that I have never heard anything so foolish since I came to the House of Commons.

Some hon. Members: Hear, hear.

Mr. Dinsdale: Let me move along in this discussion, Mr. Chairman. Particular categories are referred to in the amendment, and especially representatives of the educational community. Some reference has been made to the qualifications of the commission that has been operating in the province of Manitoba. Largely because the president of the University of Manitoba is one of the members of that commission, I would say that Dr. Saunderson is the exception rather than the rule in these matters.

An hon. Member: Is he impartial?

Mr. Dinsdale: He is as impartial as it is possible for any human being to be.

An hon. Member: Then that is your answer.

Mr. Dinsdale: I come from the ivory tower myself and I know that the essential qualification for anyone engaged in education is to be rigidly disciplined in a certain specialized field of knowledge. In fact, the stereotype of the absent-minded professor is universally recognized; the man who is so preoccupied in one field of study that he is not aware of what is going on around and about him. It would be the exceptional academician who would function adequately, from the standpoint of experience, on a commission of this nature.

Mr. Teillet: Mr. Chairman, I think for the clarity of the record my hon. friend—

The Chairman: Order. The hon. member has the floor and should not be interrupted unless he accepts a question. Would the hon. minister kindly resume his seat. The hon. member for Brandon-Souris has the floor, and I do not think he should be interrupted unless he accepts a question.

Mr. Dinsdale: Thank you very kindly, Mr. Chairman. It is obvious that these remarks are disturbing the ministry in particular. The ministry are having pangs of conscience, because they were the men who brought this legislation before the house and they are now disavowing this important point, this clause 6, to which they must have given great consideration. I can understand that they are disturbed and agitated. I think I can bring these remarks to a conclusion without any further interruption, Mr. Chairman.

Let me make this fundamental point. I know there are some who will say that this matter is being filibustered, that there has been unusual delay. This is the vicious propaganda that is being purveyed across the country by members of this house as well as people outside the house.

Mr. Churchill: Members of the Liberal party.

Mr. Dinsdale: The Minister of Transport made a speech in Quebec in which he downgraded this parliament in these terms. I do not think it is in the best interests of parliamentary democracy for people in positions of responsibility to do this to parliament. Let me say that clause 6 is designed to protect and preserve the integrity of the members of this house, particularly the position of responsibility that devolves upon the chief officials of this house, the Prime Minister and the Leader of the Opposition. If they had never been put in the legislation, the matter would not have become such an urgent issue; but to remove them deliberately by accepting the suggestion from the N.D.P. that these men are not responsible leaders of the nation is, I think, doing a great disservice to parliamentary democracy.

Some hon. Members: Hear, hear.

Mr. Dinsdale: We have to hammer this point home. They said we were delaying the Canada pension plan. Thank goodness

we did, because it was an awful mess when it first came into the house. We will continue to discuss this matter until the Minister of Transport returns to his original position and decides to protect the reputation of the chief officials of this house and of this parliament.

Mr. Pickersgill: Mr. Chairman, may I ask the hon. gentleman a question with regard to the last sentence he uttered? Is the hon. gentleman saying that he is not going to allow the members of the house to decide this question; he is going to have it decided by one member of the house? Is that his conception of democracy?

Mr. Mandziuk: He never said that.

Mr. Dinsdale: Mr. Chairman, that is a slightly Machiavellian twist of what I said, and I would say in reply that I want this House of Commons to decide.

Mr. Pickersgill: Exactly, so do I.

Mr. Dinsdale: And I want this House of Commons to preserve the reputation of its chief officials, and I am sure there are sufficient members in this house who will do just that.

Some hon. Members: Hear, hear.

Mr. Teillet: Mr. Chairman, I wonder whether the hon. gentleman would permit this question? I think this matter should be clarified, for the record. I am sure the hon. gentleman did not intend to say what he actually said with regard to Dr. Saunderson. I am sure the hon. member knows that he was not appointed to this commission. Actually it was the office of president of the university, and I thought the hon. member would want that made clear.

Mr. Dinsdale: If I might reply to the minister, Dr. Saunderson is serving on the Manitoba committee, and I did make the point that he was exceptionally capable. Most academicians are narrow men and have little practical experience; but he was a very broad person. He was associated for a while with the hon. member for Winnipeg South Centre, and I am sure that that was a broadening experience.

Mr. Deachman: Mr. Chairman, I entered this debate opposed to the amendment.

Mr. Clancy: Are you for it now?

Mr. Deachman: No, I am going to continue to oppose it, but I want to say that that is not because of anything hon. gentlemen opposite have said but, indeed, in spite of anything they have said. We have been whooping it up around this single clause for three days, and like the little boy in "Good King Wenceslas" I am finding the snow pretty deep; so I hope this matter will soon be brought to a vote.

Mr. Fairweather: Mr. Chairman, after that moving contribution to the debate I should like to make one or two remarks.

Mr. Roxborough: It is better than anything you could say.

Mr. Dinsdale: Let us hear something from you then.

Mr. Fairweather: The asses can bray all they like but I am going to have the floor. A study of this subject is really a study of the great members who have occupied either the treasury benches or the benches on this side of the house back to the time this country was founded. I am not surprised by the fact that a fair amount of emotion is attached to representation in parliament. I am also not surprised that some people here are making a genuine effort to be objective. I do not think that we should be ashamed that we wish to discuss a proposal which was first made in this parliament, as far as I am aware, in 1952 by a distinguished member of the treasury benches, the Hon. C. G. Power. I think I will cite Mr. Power because of the distinction he has brought to this house and the objectivity with which he has considered all aspects of redistribution.

In the 1952 volume of the House of Commons bills appears Bill No. 144, which was an act respecting the constitution and duties of the redistribution commission, a private member's bill by a very distinguished private member. Clause 3 of that bill might well have been adopted by the government, and if it had perhaps we would not be in the mess we are tonight. Clause 3 says:

> For the purpose of preparing and reporting a plan for the division of the provinces of Canada into electoral districts in accordance with the provisions of section 51 of the British North America Acts, 1867 to 1951, as enacted by the British North America Act, 1946, there shall be appointed a redistribution commission to consist of three members, one of whom shall be the surveyor general of Canada who shall be the chairman of the commission, another the person appointed on the recommendation of the Leader of the Opposition in the House of Commons after consultation—

I think the hon. member for Winnipeg North Centre might be interested in this phrase—

> —with the various groups normally considered to be in opposition to the government at the date, and the third person to be recommended to counsel by the Leader of the party for the time being holding the majority in the House of Commons.

If I had no other reason for thinking that clause 6 was a good clause I would be persuaded by that extract from a bill presented by a man of the distinction of Hon. Mr. Power.

The second aspect I should like to discuss shortly is the matter of the appointment of judges. I should have thought that, long since, the Minister of Justice would have spoken to this point, and perhaps the bill would not have included the judiciary had he made the point clearly. I am going to cite Mr. Hackett, the former member for Stanstead, in a speech he made in 1947 as reported at page 5652 of *Hansard*. Mr. Hackett said:

> I have understood from the prime minister that it is not the intention of the government to yield to the suggestion that has been made to it that redistribution be done over by what it pleases some to call an impartial body. That being the case, it is probably futile to discuss the constitution of any such body.

May I say that apparently it is futile to discuss the constitution of any such body because we are not getting much helpful assistance from the treasury benches. He continues:

> If that discussion ever becomes pertinent I shall place before the house my own reasons against the appointment of judges to such a commission. The right hon. gentleman who leads the house has indicated in no uncertain terms that he does not share my views as to the impropriety of appointing judges for the solution of quasi-political problems.

Surely this is a political problem and cannot be anything else but a political problem.

> I think he must concede that the appointment of judges to draw an electoral map of Canada, especially where three of the judges would be of one political stripe and three of another, would be a great misfortune and a great folly. It would be dragging these gentlemen back into the dust of an arena which they had long since escaped, and it would be possibly a reason—a reason at least in the minds of some evil minded people—for appointing a man to the bench, that he might at some later time be used for a task of this description.
>
> I will satisfy myself by saying that if such a proposal ever comes before the house and I happen to be a member I shall resist it, as I know all lawyers and judges will resist it, and as I believe everyone who thinks well of our legal institutions, especially of our judiciary, will be bound to resist it.

By the way, in 1952 much more time was taken than the three days we have been occupying. I have not gone through the debates on each redistribution, but this is a matter that occurs only once in ten years and I think that three or four days of debate on a matter of such fundamental importance automatically justifies the time devoted to it.

In my catalogue of greats I want to include Right Hon. Mr. St. Laurent, who in the 1952 debate on redistribution said that redistribution is not a matter of executive policy but a matter and a responsibility for the house as a whole.

Then there is an interpolation from Dr. Norman Ward, who wrote a fairly interesting article on redistribution in 1952, and also included a chapter on the matter in his volume called "The Canadian House of Commons", published I think, in 1948. Dr. Ward said that the government pays lip service to this dictum, and to that I say "hear, hear". Then Dr. Ward goes on to say this:

> This doctrine, resting as it does on the premise that ministers can forget they are ministers whenever redistribution comes up, and that their supporters can forget it too, put an increasing strain on the credulity of opposition members as the debates wore on.

I could not agree with Dr. Ward more. I would hope, first of all, that the minister might be persuaded to revert to the existing clause 6. I would hope, too, that he would see fit to prepare an amendment of his own which would omit the employment of the judges of this country in, as was said by Mr. John Hackett, M.P., a quasi-political job.

Mr. Favreau: I am impressed by the remarks made by the hon. member who has just resumed his seat with regard to the respect one should have for the judiciary and the feeling that they should not be called upon to act concerning political matters. He spoke in a tone which most hon. members opposite have been using in their speeches. One might think it was almost scandalous for one even to think of dragging judges into activities of this type.

I think the highest authority which the learned and hon. member must have is his leader. I think now that the highest authority I can find in support of the amendment proposed by the hon. member for Winnipeg North Centre is the author of the bill proposed when he was, not leader of the opposition, but prime minister—the bill which received first reading on April 17, 1962. The right hon. gentleman then proposed a bill the short title of which was to be "The Electoral Boundaries Commission Act". This was intended to create a commission to determine electoral boundaries. Under clause 5, the commission was to be composed of five members, the head of whom was to be the person for the time being holding the office of chief electoral officer of Canada. The remainder—and I am quoting now— "will be named in the proclamation establishing the commission". I wish to quote now from the second subparagraph of clause 5 of that bill introduced by the present Leader of the Opposition:

> The proclamation establishing the commission shall name as members of that commission at least two persons who are judges of a superior court.

If the function of those who are to appoint members of the commission is so political that a judge should not be called upon to appoint members in the objective use of his discretion, how could one even think of placing those same judges on the commission

itself? I think the very fact that the Leader of the Opposition when he was prime minister should have suggested to the House of Commons the appointment of judges of the superior court as members of his commission, is proof of the soundness of the principle embodied in the amendment, to the effect that a judge should at least be able to appoint members to the now proposed commission.

Mr. Nielsen: I wonder if the minister would permit a question. I see he is sitting beside the Minister of Transport. Is he aware that when that particular clause was being discussed the Minister of Transport was so leery of the provision that he wanted those judges named before he would give his consent to it?

Mr. Favreau: As a citizen of Canada who in the course of the last election proudly became a member of this house I am aware of one thing—that in clause 5 of that public document which was Bill C-87 the then prime minister presently leader of Her Majesty's loyal opposition, made such a proposal.

Mr. Nielsen: The Minister of Transport could, surely, rise and assist his colleague. The fact remains that when that provision was under discussion the hon. gentleman took the clearest objection to any such proposal. This suggests that the Minister of Transport was very leery about accepting the political unbias of judges.

Mr. Winkler: I rise on this particular amendment for the purpose of making a brief interjection. I do not think the point just raised by the Minister of Justice has as much bearing on this clause as have the words used by the Minister of Transport on a previous occasion —words which, I believe, have been repeated since. I quote from *Hansard* of March 10, page 741. The minister uttered these words:

> After various other possibilities were considered the government finally agreed to put in the bill the suggestion that the chief justice of the province should nominate the chairman from a member of his court; that the leader of the government, the Prime Minister, should nominate one of the members of the commission; and that the Leader of the Opposition, who is an officer of parliament, should nominate the other. I say unreservedly that I have every confidence that no matter who occupies those offices, any person who becomes leader of the opposition in the parliament of our country or prime minister in the parliament of our country would take this responsibility seriously and make the kind of nominations that all of us would feel were appropriate under the circumstances.

Mr. Knowles: Read the next sentence.

Mr. Winkler: The hon. member may make his own speech later, if he desires. If the Minister of Transport wishes to stand by the words he used on March 10 we are prepared to support him any time he wishes to change his attitude.

[Mr. Favreau.]

Mr. Pickersgill: I am prepared to stand by them and I am prepared to read the rest of them. This old and not very creditable parliamentary dodge of taking half a paragraph as if it were the whole thing is not going to be imposed on the committee on this occasion. I will read the words again. I said—and I stand by what I said:

> After various other possibilities were considered the government finally agreed to put in the bill the suggestion that the chief justice of the province should nominate the chairman from a member of his court; that the leader of the government, the Prime Minister, should nominate one of the members of the commission; and that the Leader of the Opposition, who is an officer of parliament, should nominate the other. I say unreservedly—

—and I continue to say unreservedly, despite the partisan utterances that we have heard today—

Some hon. Members: Oh.

Mr. Pickersgill: —and despite the imputation that there is partisanship on this side of the house and none on the other, which I find a little hard to take, I say unreservedly—

> —that I have every confidence that no matter who occupies those offices, any person who becomes leader of the opposition in the parliament of our country or prime minister in the parliament of our country would take this responsibility serously and make the kind of nominations that all of us would feel were appropriate under the circumstances.
>
> I do not hesitate to say that with respect to this provision or with respect to any other method which commends itself to the house or to a majority of the house and which seems likely to produce as fair and effective a result, the government will be quite prepared in committee to consider on its merits any amendments to this procedure.

The hon. member for Grey-Bruce is one of the most amiable and normally one of the fairest members of the house, and I do not imagine that on his own motion he would deliberately quote half a paragraph and leave out the other half of the paragraph.

Mr. Woolliams: We had that the other day.

Mr. Pickersgill: Nothing could be plainer from that whole paragraph than that when I said we finally came to this conclusion we were very far from being completely happy about the suggestion, but it was the best one, as I have said about a dozen times in this debate already, up to then that we could think of, and that showed any prospect of working.

Mr. Bigg: It still is.

Mr. Pickersgill: The hon. member is entitled to his opinion and to his vote, and I wish he had the courage to get up and vote on it and let the rest of us get up and vote on it.

Mr. Bigg: Don't talk to me about courage.

The Chairman: The hon. member for Greenwood.

Mr. Nielsen: I wonder whether the minister would permit a question?

Mr. Pickersgill: I yielded to the hon. member for Greenwood.

Mr. Brewin: Mr. Chairman, I wonder whether I might ask the hon. member for Grey-Bruce a question.

The Chairman: Order. The hon. member for Greenwood can now make his contribution but he cannot ask a question of the hon. member for Grey-Bruce.

Mr. Brewin: I will make my contribution by suggesting that if the hon. member for Grey-Bruce is going to make any further contribution to this debate he should tell us whether or not he thinks the right hon. and learned Leader of the Opposition is not, in a matter of this sort—the question of appropriate tasks for the judiciary—an even more persuasive authority than the Minister of Transport. May I suggest to the hon. members who form Her Majesty's loyal opposition that in this matter at least they should pay great heed to the good advice put forward by the Leader of the Opposition when he introduced the bill to which reference has been made.

Mr. Winkler: Mr. Chairman, as I stated earlier my position is a very simple one. So far as what has been said is concerned, I am prepared to accept the clause in the bill originally submitted to the house by the Minister of Transport.

Mr. Pickersgill: Vote on it.

Some hon. Members: Let us vote on it.

Mr. Winkler: When the Minister of Transport says in the house that he and the government are prepared to accept amendments which he feels are an improvement, may I point out that he himself has expressed some doubt in regard to this amendment—

Mr. Pickersgill: I have expressed no doubt that his amendment is better.

Mr. Winkler: —as have supporters of his party. I say to you, Mr. Chairman, that my main objection is to the way in which this amendment has been brought forward.

Mr. Nielsen: Since the Minister of Transport has risen to participate and inasmuch as the hon. member for Royal has put forward an argument which I think had a good deal of force, and to which the Minister of Justice attempted to reply and in doing so brought up the bill that was introduced during the last session when the Progressive Conservative government was in power, would the Minister of Transport now explain to the house why he took such a violent position during that session with regard to the partiality of judges? In essence, that was the nature of his argument because he would not have anything to do with that provision in our bill until the names of the judges were before the house. Now he purports to reassure members of the committee that he has every faith and confidence in judges so far as the appointment of the personnel to form these commissions is concerned. I think the committee deserves an explanation with regard to the obviously wide variance between the position he now takes and the position he took when he was on this side of the house.

Mr. Pickersgill: That has nothing whatever to do with clause 6 of this bill.

Mr. Basford: Mr. Chairman, last Friday morning I took part in this debate, at which time I supported the clause as introduced and opposed the amendment moved by the hon. member for Winnipeg North Centre. When I spoke then I had, as I think a great many members of the house had and still have, reservations with regard to which is the best method of trying to correct the abuses that have taken place in the past in connection with redistribution. On Friday morning I expressed my reservations about the method proposed in the amendment and urged that clause 6 be adopted as it appears in the bill.

At the time I spoke on Friday morning I had complete confidence in the type of people the Prime Minister and the Leader of the Opposition would appoint to the 10 provincial redistribution commissions. I had confidence that my leader and the Leader of the Opposition would appoint the sort of people who could make an honourable and honest contribution to the work of these commissions.

I have sat in the house and listened to the debate all last Friday, all yesterday afternoon and all of today. In particular I listened today to the speeches of the hon. member for Parry Sound-Muskoka, the hon. member for Yukon and the learned contribution tonight by the hon. member for Brandon-Souris. I must say that listening to hon. members opposite for the last three days of debate has raised in my mind the greatest possible reservations—

Some hon. Members: Oh, oh.

Mr. Churchill: You have been out in the woodshed.

An hon. Member: You have been brainwashed.

An hon. Member: Three cheers for the whip.

Mr. Basford: —with regard to the type of people that the Conservatives opposite would insist on their leader appointing.

Mr. Dinsdale: The trained seal. "His master's voice."

Mr. Basford: The hon. member for Parry Sound-Muskoka made it quite obvious to me today that he is going to insist that the Leader of the Opposition appoint persons to these provincial commissions who will give their party a partisan, political pipe line to the redistribution commissions. I think this is not what hon. members wish. All of us, at least those on this side, have endeavoured to approach this matter in a non-political way in an effort to work out what we regard as the best possible way to deal with the difficult question of redistribution and redrawing the boundaries. I expressed reservations the other day about the method proposed by the hon. member for Winnipeg North Centre—

Mr. Nielsen: Vancouver Quadra next.

Mr. Basford: —but after having listened to hon. gentlemen opposite for three solid days, they have raised far greater reservations in my mind about—

Some hon. Members: Oh, oh.

Mr. Pugh: You have read your speech twice now.

The Chairman: Order.

Mr. Basford: Hon. gentlemen opposite seem to object and become quite worried when they are told that in effect they have been talking unadulterated nonsense for three days. The fact is that they have talked so much nonsense that a great many members on this side of the house who originally had reservations about the amendment now support it.

Mr. Nielsen: Are we not going to hear from Welland and Vancouver Quadra?

Mr. Flemming (Victoria-Carleton): Mr. Chairman, I am reminded by my friend and colleague, the hon. member for Royal, that we are dealing with a most important matter. We are not only dealing with it for the present, but we are dealing with it in connection with its application to every 10 year census we will have over a long period of time. I agree with him thoroughly when he states to this house that a few days of consideration on a bill with the implications that I have just mentioned is something which is completely justified, and for which I make no apology.

[Mr. Churchill.]

I have in my hand Bill No. C-72 with which all hon. members are familiar. It is the bill that is now under discussion. Having had some experience in public life on the government side of a legislature, I think I can speak with some knowledge and some authority as to what takes place in the preparation of bills, or what should take place in the preparation of bills. My friend and seatmate, the hon. member for Brandon-Souris, has mentioned that undoubtedly the government gave the preparation of this bill very careful consideration. I hope that is the case because it is a most important bill. We have the bill presented to us and there has been a great deal of debate in this chamber in the last few days in connection with it. The bill was introduced in the name of the Prime Minister of Canada and was presented on his behalf by the Minister of Transport. This, in my opinion, comes within the category of public bills. I believe the Minister of Transport would be the first one to acknowledge that it answers that description.

Mr. Pickersgill: Of course it does.

Mr. Flemming (Victoria-Carleton): Of course it does, he says. Now, I am going to proceed a little farther. Having said it answers the general description of a public bill, then I say that amendments to this bill should be made by the government itself, if they expect the government members to support it. Before I complete these remarks I expect to convince any member, regardless of where he sits in this house, that he should not be voting for this amendment, and I include the New Democratic party.

At the moment, I am going to deal with this matter of public bills. Let us give the government full marks for having carefully considered this bill. They introduce it and it goes through the various readings. Now we have it before us in committee. While debate was taking place on this measure, the Minister of Transport who was sponsoring it said that he found something wrong with clause 6. It did not suit him, and he was sort of looking to someone to suggest something better. This was the implication in his remarks. We finally come to clause 6 and, in my opinion, if the Minister of Transport speaking on behalf of the government was in favour of the amendment, then he should have asked the hon. member for Winnipeg North Centre to send the amendment over to the government because they would like to have a look at it.

Mr. Nielsen: Why should he; he drafted it

Mr. Flemming (Victoria-Carleton): Instead of that, the hon. member for Winnipeg North Centre—

Mr. Knowles: I rise on a question of privilege, Mr. Chairman. May I say to my hon. friend it is not in respect of the hon. member who has the floor but it relates to an interjection by the hon. member for Yukon; and in case it is on the record it should be denied. If it is on the record from the mouth of the hon. member for Yukon that the government drafted this amendment, I want to deny that categorically. It was my amendment and my idea. I made all the initial drafts. A law officer of the crown did the final drafting for me, but it was my amendment.

Mr. Flemming (Victoria-Carleton): I have not any particular fault to find in respect of the hon. member for Winnipeg North Centre for having suggested the amendment. No doubt it is his privilege to do that in this house. The criticism I am making is that of the Minister of Transport accepting the amendment to a public bill on behalf of the government. In my opinion, that should not be done.

Mr. Pickersgill: I know the hon. gentleman does not want to misrepresent this thing. He has always been very careful about getting the facts. I have never accepted this amendment on behalf of the government or on behalf of anyone except myself. I said I would vote for this. I said I would vote for any other amendment from any quarter of the house that would improve the bill. I have said that about 20 times at every stage of this legislation, and I say it again tonight.

I know there are one or two hon. gentlemen opposite, including the hon. member for Bow River, who have said they want to suggest amendments. If they can improve the bill, I would be only to happy to have them improve it and I will accept their amendments right off.

Mr. Flemming (Victoria-Carleton): I want to make this observation in connection with the remarks just made by the Minister of Transport. Being a practical politician he must know that the attitude he takes, as sponsor of the bill, has tremendous influence on the members on his side of the house. It cannot help but have; it is only natural it would have. When he says he will accept the amendment, I say the government is making another retreat, for which they are now famous. They cannot get away from it, Mr. Chairman: This is another retreat. They introduce a bill, someone suggests an amendment and instead of saying we would like to look it over, they say yes, we will take it holus-bolus; they reach out and grab for it. I say this is just another retreat for which they are now becoming more and more famous.

Mr. Knowles: Will the hon. member permit a question?

Mr. Flemming (Victoria-Carleton): Yes.

Mr. Knowles: If when we get to clause 13 a member of the Progressive Conservative party were to suggest an amendment changing the tolerance factor and the government were to accept it, would that be called a retreat?

Mr. Flemming (Victoria-Carleton): If the Minister of Transport gets any satisfaction out of that question, he is entitled to it. Actually, it is hypothetical; it does not apply at the present time and neither do I propose to answer it.

What do we do? We get to clause 6, and I have mentioned the amendment that was proposed by the hon. member for Winnipeg North Centre. I say that the Minister of Transport, who acted as the minister sponsoring the bill, should not have accepted it. Let us consider, for a moment, the matter of the amendment itself. I say to the government that they have retreated again when they accepted this amendment and announced their support for it. I know the Minister of Transport is going to say that he was talking for himself. However, for all practical purposes that binds every member across the way. Oh, I agree, there are some who will have courage enough to stand up and vote against this amendment when the vote is called, but there will not be many. In my opinion, the Minister of Transport knows the amendment will carry before he supports it, because he is that kind of a practical politician—and I intend that to be somewhat complimentary.

Mr. Basford: Would the hon. member permit a question? Is he aware of the fact that this afternoon there was a vote, that the difference was only one, and that there were more people on this side of the house who were opposed to the amendment?

Mr. Flemming (Victoria-Carleton): As I remember it, they were mostly out behind the curtains, or else they would have been placed in a very embarrassing position. I know one who did not get in—the hon. member from Hamilton; but he tried, and he is entitled to some credit for that.

Mr. Robichaud: When the hon. member introduced the Atlantic development board bill in the house, how many retreats did he make when it was before the committee?

Mr. Flemming (Victoria-Carleton): If my hon. friend will look back at the record of the passing of the Atlantic development board bill in its first stages, and then subsequently

when it was being sponsored by the present Minister of Transport, he will find that the amendments proposed by the opposition on both those occasions were sent over to the government benches, and the government incorporated them as amendments coming from the government.

The Minister of Trade and Commerce looks so pained, but he has to acknowledge the facts. Now, there is another principle involved which is most important.

An hon. Member: What was the first principle?

Mr. Flemming (Victoria-Carleton): I outlined the first principle. If you were not so dumb you would know.

Mr. Knowles: Is that addressed to the Chair?

Mr. Flemming (Victoria-Carleton): I apologize, Mr. Chairman, for not addressing you, but you must be aware the provocation was substantial. In my opinion elected members of parliament should not delegate their responsibility to any officials anywhere, without specifically naming them. The amendment proposed delegates responsibility to someone else to do something which parliament was elected to do. That is the reason I said I would convince even members of the New Democratic party that they should not support the amendment, because this is a delegation of responsibility which they have no right to sanction. They and we were not elected to delegate responsibility. We were elected to do the business of the country and to make decisions.

Mr. Pickersgill: Has the hon. gentleman forgotten—

The Chairman: Is the minister rising to ask a question?

Mr. Pickersgill: To ask a question, and I think I have the consent of the hon. member. Has the hon. gentleman forgotten he was a member of the late and unlamented Diefenbaker government which introduced the bill that my hon. friend has referred to, in 1962, and which delegated the power to the governor in council to make these appointments? Now he is objecting to the delegation of power which he recommended to the house when he took collective responsibility for that measure.

Mr. Flemming (Victoria-Carleton): The Minister of Transport speaks about that delegation to the governor in council as a delegation from parliament. I suppose, strictly speaking, perhaps it is.

An hon. Member: I guess it is.

Mr. Flemming (Victoria-Carleton): Just a minute, Mr. Smart Aleck. I submit that it is the usual thing for this committee of parliament known as the cabinet and the governor in council to make appointments, because they are the committee of parliament occupying these positions of responsibility, but answerable to parliament. It is the delegation to people outside parliament to which I object.

Mr. Pickersgill: Would the hon. gentleman—

The Chairman: Order. Is the minister rising to ask a question?

Mr. Pickersgill: Yes.

The Chairman: Does he have the consent of the hon. member for Victoria-Carleton?

Mr. Flemming (Victoria-Carleton): Yes.

Mr. Pickersgill: Would the hon. gentleman be willing, if the hon. member for Winnipeg North Centre withdrew his amendment, to accept an amendment from me to delegate the power to the governor in council to make all these appointments, because that is what hon. gentlemen opposite recommended only two years ago? Would the hon. gentleman now be content with that method?

Mr. Knowles: I won't withdraw it, anyway.

Mr. Flemming (Victoria-Carleton): According to the hon. member for Winnipeg North Centre it is a hypothetical question, but I will answer it—

Mr. Pickersgill: Good.

Mr. Flemming (Victoria-Carleton): —and say that, so far as the principle of delegation of public responsibility for public bills is concerned, that would answer it; but that does not answer my objection to the amendment itself, which I am trying to express in spite of a few interruptions from hon. gentlemen opposite. The members of the cabinet, the governor in council, are members of parliament, and a delegation to them is altogether different from a delegation to the chief justice of any province.

Now, in the two minutes that are left I am going to go a little further. I do not think we should accept the amendment because it excludes too many people from the opportunity to serve on these commissions. The amendment says they must be college professors, presidents, members of faculties or surveyor general. Perhaps I have left one or two out, as I have not time to read the full list; but the point is that it disqualifies every county court judge, every warden of every municipality, every mayor of every town and city. It takes out every industrialist in New Brunswick. No industrialist could serve because he is specifically excluded by this amendment. School teachers are disqualified.

Mr. Robichaud: What about Brigadier Wardell, would he be disqualified?

Mr. Flemming (Victoria-Carleton): That is a more stupid remark than the minister usually makes.

The Chairman: Order. It being ten o'clock shall I rise, report progress, and ask leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: May we have the business of the house, for the record?

Mr. Favreau: Mr. Speaker, tomorrow we will proceed with the estimates of the Department of Agriculture, and since it seems obvious that there is not much use in again taking up the debate in committee on the electoral boundaries, on Monday we will proceed with the three budget resolutions. We shall take first the resolution concerning the income tax bill, then the resolution with respect to customs, and finally the resolution concerning estate taxes.

Mr. Knowles: May I ask the house leader if we can anticipate that the electoral boundaries bill will be brought back before the house reasonably soon?

Mr. Favreau: Well, we still have hope that hon. members opposite will have thought the matter over and will be in a better mood then.

PRIVILEGE

MR. WOOLLIAMS—ALLEGED CURTAILMENT IN RINGING OF HOUSE BELLS

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, before the house adjourns I would like to raise one small question of privilege which affects most members, particularly those in the west block.

I think it is the first time this has happened, but tonight following the dinner recess, although there was an important debate in progress in this house, the bell rang for only a few seconds, and even if we had run as fast as we could we could not have been in the chamber when the debate commenced. And it was a strange thing that there were so many government supporters here during that time. I say it is a question of privilege, because surely, with regard to the notification by the bell, we should have time to come from the west block.

Mr. Favreau: On a point of order, Mr. Speaker—

Mr. Woolliams: May I make my point, please?

Mr. Favreau: —there is no question of privilege here.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. There is a point of order before the house. Would the hon. member allow the Minister of Justice to make his point of order.

Mr. Favreau: I submit, Mr. Speaker, that no question of privilege arises here with respect to what is being stated by the hon. member for Bow River (Mr. Woolliams).

Some hon. Members: Sit down.

Mr. Woolliams: I would like to finish, Mr. Speaker. I still believe that the facilities which are in another building in which our offices are situated should be such that when we wish to be in the chamber after being summoned by the bell, we should be able to get here before the debate commences. Surely the bell should ring long enough so that the members of the House of Commons can assume their responsibilities in this house.

Mr. Robichaud: Have you got a watch?

Mr. Nasserden: Mr. Speaker, on the point of order that has been raised, I just want to say that I have never heard a more arrogant statement than the one just made by the Minister of Justice. I am on the sixth floor of the House of Commons, and I did not have time, after the bell rang, to get down here for the commencement of the debate.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The Chair has heard the various complaints and will certainly look into them.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion)

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

AGRICULTURE—ARDA—DELAY IN PROCESSING APPLICATIONS

Mr. Speaker: In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been moved and seconded at this time. Therefore the question is that this house do now adjourn.

The first question this evening is to be discussed by the hon. member for Kootenay West, and it is:

As a result of the administrative seesawing with respect to ARDA, has there been any delay in the

development of programs and the study of proposals presented to the government, or in the processing of agreements?

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have always had a particularly keen interest in the progress of the ARDA programs, which I consider offer an excellent opportunity for co-operation between the federal and provincial governments and community organizations to promote the planning of rural rehabilitation, which is a very necessary thing in Canada at this time. A good many constituencies are interested in the ARDA program and are concerned because of the administrative seesawing that they have read about in recent days. They are concerned about the local application of this very excellent legislation and are hoping that it will not be affected by any administrative difficulties in the days ahead.

I understand that the minister in charge of the administration of this act is active and is very interested in it, but the public at large do not know this and they are concerned at the present time. That was my reason for asking the question that I asked on orders of the day today. In addition to seeking an answer to that question, I would ask the minister if, in order to clear the air, to provide the persons interested with information, and the members of this house, he would make a full statement on the progress that has been made to date under the ARDA program, future plans for the initiation of projects in co-operation with the provincial governments and community organizations, and what he intends to do in the days ahead. Perhaps the minister would make such a statement when he is speaking on his estimates.

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, in reply to the hon. member may I say that no provincial ARDA projects submitted to the federal ARDA administration have been held up as a result of a change of administrative responsibilities. All projects are given the same study in Ottawa after submission by the provinces, and this may take some time.

In connection with British Columbia, in which I am sure the hon. member is particularly interested, all British Columbia projects submitted have been approved after study, and again no projects have been held up. In fact, no British Columbia project proposals were received between February 3 and February 20; but to date 16 ARDA projects in British Columbia have been approved, with a federal cost share of some $508,000 and a total cost of over $1 million. I might add that the ARDA projects are in the Department of Agriculture estimates. We will be discussing those tomorrow and I am sure that at that time we will satisfy the hon. member for Kootenay West that this government is doing an excellent job with ARDA.

[Mr. Speaker.]

CANADIAN NATIONAL RAILWAYS—MATANE-STE. ANNE DES MONTS—EXTENSION OF LEGISLATION AUTHORIZING CONSTRUCTION

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, we, on this side of the house, are surprised to see that the government intends to drop the legislation which was passed on March 23, 1962, with only one dissenting vote, that of the hon. member for Port Arthur (Mr. Fisher).

I feel that such action on the part of the present government is undemocratic and constitutes an insult to parliament since at the time—the Minister of Transport (Mr. Pickersgill) will surely remember—all hon. members voted in favour of that legislation to promote the economic development of the Gaspe area.

I know that the government intends to spend $16 million to develop that district, especially seaports, but I do not think that will solve the problem and reactivate the economy of the area, since ships sail only five or six months a year while a railroad through the Gaspe peninsula would be essential for the development of mining claims.

At any rate, the president of East Sullivan gold mine, Mr. Pierre Beauchemin, holds a mining claim known as Federal Metals in the Gaspe peninsula, near Ste. Anne des Monts. He also has a prospecting licence valid in Gaspe peninsula's national park, which was granted to him by the provincial government following the decision taken by the Conservative government in Ottawa to build a railroad between Matane and Ste. Anne des Monts.

This is very important, Mr. Speaker, and I ask the minister to tell us whether it is his intention to extend he period provided in the bill, because if he does not see to it, it will be the end of the whole project, since the bill expires on December 31, 1964.

That bill is important and essential to the development of the Gaspe economy, and the minister knows that, for nearly 30 years, his party promised to build a railway in the Gaspe peninsula. The Conservative government adopted a bill to make good that promise to promote the economic expansion not only of Gaspe but of Canada as a whole.

It must be remembered also that the province of Quebec has only 11 per cent of the railway lines in Canada, and that part of our country needs such a railway to develop its mineral wealth. The businessmen as well as

the chamber of commerce of the lower St. Lawrence region are desperate.

The Secretary of State (Mr. Lamontagne), speaking before the Reform club in Montreal recently said that $7 million out of an amount of $16 million would be allocated for the construction of the Riviere du Loup wharf.

According to *Le Soleil* of last April 21, the chamber of commerce of north Gaspe did not like that statement made by the Secretary of State.

I would ask the minister to assure the people and the chamber of commerce of Gaspe that this bill, which has been accepted by all members, except the hon. member for Port Arthur, will be implemented. Even the minister, at the time, approved the bill.

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): The hon. gentleman recalls to our minds that five years after the government which he supported came to office, on the eve of an election, they rushed through this house a bill to build a railway from Matane to Ste. Anne des Monts. It is quite true, as the hon. member said, that we assumed the government of the day had paid some attention to this matter before they did this, and we did not oppose it because we wished to see development of that region, which we knew needed development.

But when we took responsibility for office —and the hon. gentleman's friends had done nothing about the railway in that year; they had been too busy passing orders in council to tax the people without any authority from parliament; a year later they had done nothing about this—

Some hon. Members: Oh.

Mr. Pickersgill: When we came to office we examined the project and found there was no sound economic foundation for this railway. What was needed was improved transportation which would better serve the needs of the region. Let me point out that this parliament did not order the government to build the railway; it gave the governor in council permission to do so. We felt that before we spent $16 million of the taxpayers' money we should be satisfied it was being spent to the best possible advantage of the people of this region. We are engaged at the present time—it is no secret—in discussions with the government of the province of Quebec. There is a great need for the improvement of the highway from Mont Joli a little beyond Ste. Anne. From there to Gaspe the road is in good condition, I am informed, but that section is rather out of date and unsuited to modern needs. We are considering, with the government of Quebec, a contribution in order to speed up the construction of that road so that the people of Gaspe north will have communications which are worth the money that is to be spent on them. This will really help the region.

We also intend to recommend to the house that some of this money be spent on the improvement of other communications, airfields and harbours in order to speed up the development of the area about which hon. gentlemen opposite, when they were in office, did absolutely nothing until just before the election.

REDISTRIBUTION—REQUEST FOR TABLING OF CONSTITUENCY MAPS

Mr. Speaker: Question No. 3 is the following:

> Is the minister prepared to table any maps prepared by the representation commissioner under section 8 of the Representation Commissioners Act, for reference during the debate on the redistribution bill?

Mr. G. H. Aiken (Parry Sound-Muskoka): Section 8 of the Representation Commissioners Act which is to be found in the statutes of 1963 chapter 40, and which received royal assent on December 21, 1963, provided that the commissioner shall prepare maps showing the distribution of population in each province, and setting out proposals respecting the boundaries of the electoral districts in each province. I assume that the representation commissioner, with his usual dispatch, is proceeding with the preparation of those maps.

I have neither seen them nor inquired about them. However, I have heard rumours about them and the rumours I have heard are quite startling. I do not wish to go into those rumours but I think hon. members will understand that there is a good deal of concern about these basic proposals and the alternatives. I know that these are merely proposals, but I believe that the maps would give hon. members a fair idea of what is likely to result from the passage of the redistribution bill we have now been labouring with for so long.

I want to ask the Minister of Transport if he can now answer the question I raised this morning, and tell us whether in the opinion of the government these maps can be made available to the house. I cannot find anything in the act which says they are confidential, and there is at the present time no commission to which they can be submitted. Perhaps the minister could tell us whether it would require an order of the house for the production of these maps.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I do not think it would be appropriate for the government as a government to express any view on this matter. The representation commissioner, like the Clerk of the house and the Auditor General, is an officer of parliament, not an officer of the government. Therefore I would not presume to make a decision myself on a matter of this kind.

That is precisely why I asked the hon. gentleman for time to answer the question. I wanted to consult the representation commissioner who, though he is an officer of the house, cannot respond for himself in the house. I have ascertained from him, since the question was asked this morning, that he has prepared or caused to be prepared by his staff—I do not think it is right to say he has prepared them himself because it is a technical job that he probably could not do—sketch maps of all provinces, on the assumption that there would be a tolerance of 10 per cent. He has also had produced sketch maps on the assumption that there would be a tolerance of 20 per cent, and he is in the course of having prepared another set of sketch maps on the assumption that there would be a tolerance of 25 per cent. None of them is completed.

They are only sketches, and in his opinion the publication of them would be rather apt to create the impression, because we all know that people look at things and do not even read the big print, much less the fine print, that this was the finished product. It certainly is not, because the representation commissioner said to me that he himself could point to dozens of objections in every one of these maps as they are now drawn.

He did make a suggestion which I am very happy to pass on to the house. He suggested that each party or group in the house might like to delegate three or four members to visit his office. I do not think we could reasonably expect him to be prepared to have every member of the house visit his office, because it would paralyse the work of the office and I do not think that would be right. However, he suggested that if three or four members selected by the caucus or by the leader would like to come and meet him and his staff and have the whole process explained fully to them he would be very happy indeed to do that.

I pass on that suggestion to the house as an eminently reasonable one. But I must say that personally I agree with the view he expressed that if these maps—as I have said there is more than one series of them—were published they would create an impression, which apparently has been created even in the minds of some sophisticated people like members of the house, that this is done when it is not done at all. All these sketches represent are exercises, as I called them earlier today, that were prescribed by parliament in the act that we passed unanimously at the last session.

Mr. Speaker: Under the provisions of provisional standing order 39A this house stands adjourned until tomorrow at eleven o'clock a.m.

Motion agreed to and the house adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, April 24, 1964

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

FOOD AND DRUGS—CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. H. C. Harley (Halton) presented the first report of the special committee on food and drugs, and moved that the report be concurred in.

Motion agreed to.

PRIVILEGES AND ELECTIONS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. M. J. Moreau (York-Scarborough) presented the first report of the standing committee on privileges and elections, and moved that the report be concurred in.

Motion agreed to.

FINANCE

TABLING OF REPORT OF ROYAL COMMISSION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would ask for unanimous consent to revert to motions in order to make a short announcement.

Mr. Speaker: Does the house give unanimous consent to the Prime Minister to revert to motions to make an announcement?

Some hon. Members: Agreed.

Mr. Pearson: Mr. Speaker, I should like to announce at this time that I am depositing with the Clerk for tabling at 5.30 this afternoon copies in English and French of the report of the royal commission on banking and finance. Copies will be made available to all hon. members at that time, and they will go on sale to the public. The press summary prepared by the royal commission will also be released at 5.30 and will be distributed to hon. members.

Perhaps I might take advantage of this opportunity to say a word of sincere appreciation to the chairman of the royal commission, Hon. Dana Porter, chief justice of Ontario, and the other members of the commission, their staff and all who have assisted in the preparation of this report. This is, I believe, the most comprehensive study of Canada's financial system that has ever been undertaken. The government will give immediate and thorough consideration to the conclusions of the report and the recommendations made by the commission.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I simply rise for the purpose of underlining the Prime Minister's words of appreciation for the contribution made by Chief Justice Porter and the other members of the commission. They undertook a very difficult and trying responsibility. From information that is available at the present time, though only by way of suggestion as to possibilities, we know that the commission has met a problem that needed to be faced, and all Canadians will be pleased to honour the members of the commission for having undertaken this heavy responsibility.

LABOUR RELATIONS

GREAT LAKES—APPOINTMENT OF PRESIDENT OF SEAMEN'S UNION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has he anything to report regarding Leonard McLaughlin, and is he in a position to say that the government has brought to the attention of the board of trustees the total unacceptability of this man as president of the S.I.U.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have nothing further to add to what I have already said on this matter in the house. I have not indicated to the trustees any course of action that they should follow in this matter.

Mr. Diefenbaker: Does the government consider that Leonard McLaughlin is a fit and proper person to be president of the S.I.U?

Mr. MacEachen: Mr. Speaker, as the right hon. gentleman knows, the government has no authority to direct or restrain the trustees in any way. That authority has been granted by parliament to the trustees themselves. In

that way, it is quite impossible for the government to take any part in this particular matter.

Mr. Eldon M. Woolliams (Bow River): May I ask a supplementary question. A few days ago I asked the Minister of Justice if the report prepared by counsel in reference to Banks did not recommend prosecution not only against Banks but prosecution against McLaughlin. At that time the Minister of Justice said he would consider the situation and let us have a report. Is he ready to give that report now?

Hon. Guy Favreau (Minister of Justice): If two days ago may be termed a few days ago, that is when the question was put. It is true I told the hon. gentleman I would ask for a report. I received it this morning, a few minutes ago, and I shall be in a position to answer the question on Monday.

EXTERNAL AFFAIRS

VIET NAM—REPORTED REQUEST FOR HOSPITAL AND MEDICAL SERVICES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): The President of the United States has called for intervention by other nations in the conflict in Viet Nam. It has been suggested that Canada might contribute hospital and medical care because of the fact we are a member of the truce team. May I ask if any such request has been made to the Canadian government, and have we his assurance that such a request will be refused?

Right Hon. L. B. Pearson (Prime Minister): No such request has been made to the Canadian government.

CYPRUS—REQUEST FOR DISCLOSURE OF DIRECTIVES TO PEACE KEEPING FORCE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Secretary of State for External Affairs. In view of the state of virtual anarchy and open revolt existing in Cyprus, can the government give us some indication of what the United Nations peace keeping force is supposed to be doing in order to keep the peace; and is any consideration being given to requesting the secretary general of the United Nations to give permission to release some of the details of the instructions to Canadian troops in that area?

Hon. Paul Martin (Secretary of State for External Affairs): I saw the secretary general of the United Nations last night, and from the report he made it is clear that the situation in Cyprus does not warrant the description just given by the hon. gentleman. With regard to disclosure of the directives, the answer continues to be no. I suggest to my hon. friend that he examine carefully the documents already tabled in this house.

Mr. Nesbitt: May I ask a supplementary question. I may tell the minister that I have examined all the documents. Has the British government recently requested the secretary general to release the details of the instructions?

Mr. Martin (Essex East): The answer is no.

Mr. T. C. Douglas (Burnaby-Coquitlam): I asked a question of the Prime Minister the other day, and perhaps the Secretary of State for External Affairs could give me an answer. I asked whether the instructions of the secretary general to the United Nations forces have been altered in compliance with the expressed willingness of Archbishop Makarios to extend the role of the United Nations forces from a purely defensive one to enable it to keep the green line clear.

Mr. Martin (Essex East): The situation with regard to that matter has not changed. I am satisfied, after talking to the secretary general—and this is one of the reasons I went to see him last night—that the course taken by him and the force commander is the correct one under the circumstances.

[*Later:*]

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Following his conversation with the secretary general of the United Nations, is he now able to report any hopeful developments in that gentleman's efforts to enlarge the number of U.N. members participating in the hazardous Cyprus operation now being carried out by so few members?

Mr. Martin (Essex East): Mr. Speaker, there is some reason for thinking that there may be an improvement with regard to the number of countries participating in the force.

PROPOSED FEDERATION OF ZANZIBAR AND TANGANYIKA

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I should like to direct a question to the Secretary of State for External Affairs. In view of the announcement the press carried in the last day or two relating to the federation of Zanzibar and Tanganyika, and in view of his visit to

the United Nations yesterday, does the minister have anything to report to the house on just what has taken place?

Hon. Paul Martin (Secretary of State for External Affairs): Nothing beyond what my friend already knows and the announcement made by President Nyerere as to the union of these two countries. If this means a step toward continental unity in Africa, it will be a welcome step.

PROVISION OF BILINGUAL STAFF AT EMBASSIES ABROAD

On the orders of the day:

[*Translation*]

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Could the minister who is perfectly bilingual, tell the house whether all steps have been taken since he has been appointed minister of the above-mentioned department, to ensure that the bicultural image of Canada is being reflected in our embassies abroad by hiring a bilingual staff?

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker.

[*Text*]

IMMIGRATION

TREATMENT OF CANADIAN BOYS ATTEMPTING TO ENTER ENGLAND

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should also like to direct a question to the Secretary of State for External Affairs. Has he protested on behalf of Canada to the British immigration authorities in connection with their off-hand treatment of two young Canadians who went to England recently to visit their grandparents with the intention apparently, of working there? Does the Secretary of State for External Affairs also intend to ask the British authorities for a financial indemnity for the inconveniences which they caused to the parents of these young Canadians?

[*Text*]

Mr. Speaker: May I suggest to the hon. member that this is a question for the order paper, in spite of the persons involved.

TRANSPORT

REGULATIONS RESPECTING USE OF WHARVES BY FISHERMEN

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Transport regarding the regulations relating to government wharves, and ask the minister if he could indicate to the house how these regulations are to apply. I understand they are to apply in a different way to fishermen on the east coast and fishermen on the west coast, and can he say what money the department expects to realize from the rates charged to the fishermen on the east and west coasts?

Mr. Speaker: Order. Under the powers given to me by the house, this would fall under subsection (e) which states that a question should not be of a nature requiring a lengthy and detailed answer. I wonder if the hon. member would care to put it on the order paper.

Mr. Howard: Under the powers given to me by the house, Mr. Speaker, I would like it set down for some debate later at ten o'clock.

INCOME TAX

EXEMPTIONS FOR CHILDREN 16 AND 17 YEARS OLD

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the right hon. Prime Minister, and I am sorry I have not had the opportunity to give him notice of it. Is it a fact that the income tax exemptions for parents of children 16 to 17 years of age in all provinces but Quebec will be reduced from $550 to $300, while tax paying Quebec parents will continue to receive the $550 exemption?

Mr. Speaker: Would the hon. member put this on the order paper?

Mr. Hales: Mr. Speaker, it just requires a yes or no answer.

HIGHWAYS

QUEBEC—FEDERAL CONTRIBUTION TO COST OF GASPE ROAD

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Transport. It arises out of a statement made in the adjournment debate last night, but not on the subject I raised myself. Under what federal-provincial program is the contribution to the Gaspe highway in Quebec being made? Is it under the roads to resources program, or is this a new program which the province has?

Hon. J. W. Pickersgill (Minister of Transport): Well, Mr. Speaker, no contribution is being made. We are having a discussion with

the government of Quebec—perhaps I should say I am having discussions with the minister of highways of Quebec—the possibility of this, but no final decision will be made until we reach some understanding about how it might be done.

Mr. Aiken: Under what authority is this being considered? Is it under the roads to resources program?

Mr. Pickersgill: It is not being considered under any authority. We would have to come to parliament to ask for authority to do it, just as in the case of the Gaspe railroad.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a question for the Secretary of State which I hope he will answer. It is about the statements he made recently at the Reform club in Montreal.

Why does the government intend to divert an amount of $7 million to Rimouski from the $16 million earmarked for the Gaspe peninsula?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, the hon. member would be well advised to consult the notes I used in making my speech and to refer also to the retraction the Canadian Press sent to all newspapers about the report of that speech.

What I said then, Mr. Speaker, is that the government is undertaking a program, which will cost approximately $16 million, for the Gaspe peninsula and, moreover, that it intends to include in the supplementary estimates for 1964-65 a sum of approximately $3 million to start the construction of a deep-water wharf near Riviere du Loup.

Mr. Pigeon: A supplementary question, Mr. Speaker. In view of the numerous protests made by the chambers of commerce in the Gaspe peninsula and by the businessmen of that region, does the government intend to reconsider its decision and build the proposed railway to promote the economic expansion of Gaspe and, therefore of Canada?

[*Text*]

Mr. Speaker: Order, please. Would the hon. member put this question on the order paper.

Mr. Pigeon: I wish to raise this matter after ten o'clock next Tuesday.

CANADIAN BROADCASTING CORPORATION

TORONTO—INQUIRY AS TO LOCATION OF BUILDING

On the orders of the day:

[Mr. Pickersgill.]

Mr. M. J. Moreau (York-Scarborough): Mr. Speaker, may I direct a question to the Secretary of State. On February 5 a delegation from the city of Toronto met with the minister and other cabinet members to discuss an alternative site for the C.B.C. rather than the site already acquired in York-Scarborough. In view of the fact that the city of Toronto was given six weeks to prepare a proposal for consideration by the government, and as the time has now expired, has any such proposal been received and, if not, will the C.B.C. now proceed with the Don Mills site?

Mr. Speaker: It is quite evident this is a question for the order paper.

ADMINISTRATION OF JUSTICE

MONTREAL—REPORTED STATEMENT RESPECTING REVOCATIONS OF PAROLE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I wish to direct a question to the Minister of Justice. Has the attention of the minister been drawn to a speech by Judge Claude Wagner in which he stated that Montreal judges last year had revoked 200 paroles in that city because the parolees had committed crimes, including murder? Could the minister have the department check the actual records and report to the house, since these figures seem so greatly different from reports made by the department on previous occasions.

Mr. Speaker: I wonder if the hon. member would in future put this type of question on the order paper, because if he does not expect an answer today the question is obviously not especially urgent and important.

PRIVILEGE

MR. GIROUARD—REPORTED ATTEMPT TO JOIN LIBERAL PARTY

On the orders of the day:

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, I should like to direct my question to the Prime Minister. It has been reported by all information media that Mr. Keith Davie, chief Liberal organizer, has stated that I had been rejected by the Liberal party.

I am asking the Prime Minister whether, to his knowledge, I have ever offered my services to the Liberal party?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I suggest that this has nothing to do with the business of the house.

Mr. Speaker: Order, please. This question does not relate to public affairs at all.

[*Translation*]

Mr. Girouard: Under the new standing order, I give notice that I shall deal with this question at the earliest opportunity after ten o'clock.

[*Text*]

Mr. Speaker: I regret to inform the hon. member that his question is completely out of order, and if the question is out of order it cannot be raised after ten o'clock.

Some hon. Members: Oh, oh.

Mr. Speaker: Perhaps the last statement was, shall we say, inconclusive. Standing order 39(5) provides:

> A member who is not satisfied with the answer given to a question asked on any day at this stage, or a member who has been told by Mr. Speaker that his question is not urgent, may give notice that he intends to raise the subject matter of his question on the adjournment of the house, as provided—

—and so on. This question I have ruled out of order because it does not deal with a public matter, that is with a matter which concerns the house. The private goings on and comings and goings of private members with regard to their own affairs are not matters of public interest. I do not think the question was in order. In fact I think it was definitely out of order.

Mr. Knowles: May I draw Your Honour's attention to the first words you read: "A member who is not satisfied with the answer given to a question—". The hon. member was not satisfied with the answer given to his question.

Mr. Speaker: The hon. member for Winnipeg North Centre is quite right in drawing my attention to those words, but I would point out that the question itself is out of order. Perhaps I could recall to the hon. member's attention the words of standing order 39(1):

> Questions may be placed on the order paper seeking information from ministers of the crown relating to public affairs—

That is the ground on which the Chair is relying at this time. In my opinion the question is not in order and does not relate to public affairs in the strict sense of this subsection.

[*Translation*]

Mr. Girouard: Mr. Speaker, I rise on a question of privilege. I want to tell the house that if, by Monday morning, the Prime Minister has not answered my question in a satisfactory way, I shall have very interesting information to give the house on a question of privilege following this.

[*Text*]

Mr. Aiken: Mr. Speaker, on the point of order, may I say that the question of an adjournment debate is quite academic because there is not an opportunity provided until Monday.

Mr. Nielsen: Mr. Speaker, may I speak to the point of order?

Some hon. Members: No.

Mr. Erik Nielsen (Yukon): I think a good many hon. members are interested in the rights which they have under the new rule. It was my understanding, and certainly this procedure has been followed thus far in the few days we have been operating under this new rule, that if Your Honour rules a question out of order we may still appeal and have the question discussed between ten and ten thirty. That course has been followed with several questions from hon. members thus far. I hope the understanding is that where an hon. member is not satisfied with the answer given to his question, or where Your Honour rules his question out of order, it is still within the power of the member concerned to transfer the matter for debate between ten and ten thirty.

Mr. Speaker: The interpretation of any new statute is not an easy task, as the hon. member well knows. The distinction that the Chair is trying to make this morning is that private matters should be kept free and clear of this house unless they are matters affecting the house. It does not seem to me that this matter is of such a public nature that it should be raised at this time. However, in order to have some time for reflection, if hon. members will permit me I shall go over the matter at the week end and try to reach a very considered conclusion.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, before Your Honour considers it over the week end may I say that it is surely a fundamental rule of this house that the only questions which can be entertained, either on the order paper or on the orders of the day, are questions of the government relating to the conduct of the public business of this country. The private affairs of political parties, while we debate such matters a good deal in the house during our debates, are not matters under the jurisdiction of the government. Therefore it seems to me that this is the kind of question

which is not even entertainable in any conceivable circumstances if we abide by the rules of the house.

Mr. J. W. Baldwin (Peace River): Mr. Speaker, just on this point may I say I agree with what has been said by the Minister of Transport, but surely it is not for the government to say what is and what is not a matter of private business. If there is an opportunity for an hon. member to raise the matter, and if the minister in reply says it is not the kind of question he chooses to answer, then that is an answer which I submit entitles the member concerned to bring the question up again on the adjournment debate.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on the same point of order I would draw to Your Honour's attention and also to the attention of hon. members generally the words of the Minister of Transport. It is unfortunate that both he himself as well as his colleagues did not in the past address themselves to the same line of conduct which he is now advocating to the house, because on many occasions in past years the hon. member and his colleagues were extremely active in this particular field of questioning.

Mr. Speaker: Order, please. The Chair has stated that sometimes these matters are not easy to decide on the spur of the moment. In order to ensure complete consideration and impartiality I should like to have the week end to study the matter. Therefore I would hope that we can end the discussion at this point.

Mr. Bechard: Mr. Speaker, on the point of order, despite what the Minister of Transport has just said I think this question should be dealt with by the Minister of Trade and Commerce.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. If I may say so I think the Chair has received sufficient advice to keep it busy well beyond the week end.

Mr. Pugh: Mr. Speaker, in giving consideration to this point will you also give consideration to the rights of the electors in the constituency of Labelle?

GRAIN

WHEAT, OATS AND BARLEY—STATEMENT AS TO OPEN QUOTAS

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, as the Minister of Trade and Commerce, not of "political trades and commerce", may I reply to a question asked yesterday by the hon. member for Moose Mountain, when he asked me whether the wheat board will be able to provide an open quota for wheat, oats and barley by the end of the present crop year. I said yesterday in reply to his question that I did not think the wheat board would yet be in a position to answer this question, and I now have an answer from the wheat board.

The exact level of quotas which will be reached by the end of the crop year cannot be determined at the present time. There are two reasons for this. First, the wheat board does not know how much of the grain farmers now hold will actually be delivered. From past experience, as the hon. member knows, this depends a good deal on crop prospects at the time the crop is being delivered. Second, the board does not know the volume of sales, particularly of oats and barley, that will be made between now and the end of the crop year. However, it is known that producers will be able to market more grain this year than last year, and far more than they have delivered on the average in the past ten years.

OATS AND BARLEY—INQUIRY AS TO INITIAL PRICE

On the orders of the day:

Mr. E. Nasserden (Rosthern): I have a question for the Minister of Trade and Commerce. Is the minister on behalf of the Prime Minister and the government prepared to recommend an increase in the initial price for oats and barley?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, when a decision is made as to the initial payments for wheat, oats and barley, it will be conveyed to the house.

NORTHERN AFFAIRS

ALASKA HIGHWAY—INQUIRY AS TO NEGOTIATIONS WITH UNITED STATES

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Prime Minister. Has the government of Canada received the urgent request of the government of the province of Alberta that immediate negotiations commence between the government of Canada and the government of the United States for the joint cost sharing of the paving of the Alaska highway?

Right Hon. L. B. Pearson (Prime Minister): I will have to look into the matter, Mr. Speaker.

WORLD FAIR

REPORTED RESIGNATION OF DIRECTOR OF INFORMATION

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put to the Minister of Trade and Commerce a question concerning the 1967 world fair and of which I gave him notice?

Could the minister tell the house the reason why Mr. Guy Beaudry, director of public relations, information and promotion for the Canadian World Exhibition Corporation, has resigned?

[*Text*]

Mr. Speaker: Interesting though this question obviously is, it seems to me that it should be on the order paper.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I have given notice of my question to the minister and he is ready to answer it.

[*Text*]

Mr. Speaker: It does not seem to me that this question falls under the rule of urgency requiring an immediate answer.

NATIONAL DEFENCE

R.C.A.F. STATION EDGAR—CLOSING OF SWIMMING POOL

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Would it be possible to delay the closing of the swimming pool at R.C.A.F. station Edgar until June 30, when the classes that are now being held there will finish? They will then have time to complete their swimming program.

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, representations have been made on this subject by the mayor of Barrie and by the local Liberal association.

Some hon. Members: Oh, oh.

Mr. Knowles: On a point of order, Mr. Speaker, is the opinion of the local Liberal association a matter of public business?

Mr. Cardin: The Liberal association is certainly a legal organization.

Mr. Grafftey: You are getting in deep water.

Mr. Cardin: I think the hon. member will understand that the closing out of the defence establishments affected by announced changes in defence programs must follow the established schedules as closely as possible, otherwise costly delays are likely to occur. Nevertheless, recognizing the importance of the swimming pool at R.C.A.F. station Edgar to certain community groups that have been conducting life saving programs, I am investigating the possibility of keeping the Edgar swimming pool in operation until June 30, when these life saving programs will have been completed.

Mr. K. H. More (Regina City): Mr. Speaker, I would like to direct a question to the Associate Minister of National Defence. In his answer to the hon. member for Simcoe East he said that closing down had to follow the schedule set out. I ask the minister whether the government has a schedule for closing down establishments across the country; and if so, would they table it or have it printed in *Hansard* so that communities and staffs will know what the schedule is?

Mr. Cardin: Mr. Speaker, there is not a determined schedule for all establishments across the country, but we are working on a program for the phasing out of all these establishments. That program has not yet been completed.

Mr. More: A supplementary question, Mr. Speaker. Have the staff of the R.C.E.M.E. workshop in Regina been consulted or advised yet of the shut-down scheduled for July 1?

Mr. Cardin: Yes, Mr. Speaker.

Mr. Robert Muir (Cape Breton North and Victoria): A supplementary question to the Associate Minister of National Defence in reference to the reply he gave the hon. member for Simcoe East regarding a swimming pool. I wonder whether he could give the same serious consideration to the position of the employees of the Point Edward naval base, who will not only not have a swimming pool but will not have any jobs?

Mr. Cardin: Mr. Speaker, I think it is only fair to advise the house that the Department of National Defence has done everything it can in order to phase out as slowly as possible the work at the Point Edward naval base. A ship which was not scheduled to go into the Point Edward naval base has now been directed to go there in order to be refitted, so that work will be provided for a longer

period and we will then be able to phase out more slowly the work at Point Edward naval base.

Mr. Muir (Cape Breton North and Victoria): So they should get down on their knees and thank you?

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Has the associate minister received any representations from the Liberal association in that area regarding this matter?

PENITENTIARIES

DRUMHELLER, ALTA.—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, this is a question directed to the Minister of Public Works, of which I gave him notice. It arises out of a question I put on the order paper. The question I put on the order paper was in reference to the commencement of construction of the penitentiary at Drumheller. The answer to that question—and I am not saying that the minister deliberately misled the house—was contrary to a news report given by one of the staff of the Department of Justice. I wonder whether he would like to clarify the situation in this respect. Can the minister say when this construction is going to commence; because the answer he gave is certainly in contrast to the information given in the news report.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, if there is any confusion I am afraid it exists in the mind of my hon. friend. I have nothing to add to the answer I have given and I do not wish to amend it. I read the article in the Drumheller newspaper, and when the commissioner of penitentiaries mentioned that the architects are now working on the plans and specifications he meant that we have some basic plans that we can use for institutions of this kind. It is now a matter for our consulting architect—who was appointed yesterday, by the way—to adapt these plans to the Drumheller project. We expect tenders to be called in the fall. If my hon. friend would like to compare the answer I am giving today with the answer I gave a few days ago, he will see there is no discrepancy.

TRANS-CANADA HIGHWAY

DISCUSSIONS WITH PROVINCES RESPECTING SECOND ROUTE

On the orders of the day:

[Mr. Cardin.]

Mr. Charles J. M. Willoughby (Kamloops): Mr. Speaker, I should like to direct a question to the Minister of Public Works. On April 9, as reported in *Hansard* at page 1946, the minister promised a statement in regard to the co-ordination with the provinces for a second trans-Canada highway. He said the statement would be made within one week. Can he make that statement today?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I promised the hon. member for Skeena that I would make a statement yesterday. Yesterday morning, before the orders of the day, I got in touch with the hon. member for Skeena and told him I was not in a position to make that statement. It will be made in the very near future.

Mr. Grafftey: Mañana, mañana; government by mañana.

Mr. Peters: Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether his department has completed—

Mr. Grafftey: Perhaps you would stop making speeches and run your departments.

Mr. Speaker: Order. The hon. member for Timiskaming (Mr. Peters).

TRADE

REQUEST FOR REPORT ON CONTAMINATED WHEAT SHIPMENTS

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether his department has completed the inquiry into the contamination of wheat shipped to Great Britain and Russia; and if that inquiry is completed, can he make the final report to the house at this time?

Mr. Speaker: This is an important question, of course, and if the minister can answer it very quickly so we can get rid of it, fine; but really it is the type of question that should be on the order paper.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Public Works. I wonder whether he would inform me when he intends to answer question No.

109 which I placed on the order paper on February 20, 63 days ago.

Some hon. Members: Shame.

Hon. J. P. Deschatelets (Minister of Public Works): I will try to answer this question as soon as possible, Mr. Speaker.

BROADCASTING

COMMUNITY ANTENNA SYSTEMS—REQUEST FOR POLICY CLARIFICATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to either the Minister of Transport or the Secretary of State. How much longer must we wait before we get an indication of government policy on community antenna systems?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, yesterday afternoon the Secretary of State and I received a delegation from the television community antenna association, which asked us not to make any statement of policy until they had had an opportunity of making representations. Now that they have made representations it is our intention to give as urgent consideration to this matter as we can consistent with the other obligations we have to the country.

Mr. Eric Nielsen (Yukon): A supplementary question, Mr. Speaker. Before the government makes a decision on the matter will the minister cause this question to be referred to the standing committee on broadcasting?

Mr. Pickersgill: There is no standing committee on broadcasting, so that would be a miracle I could not accomplish.

SUPPLY

The house in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration including the national co-ordinating committee on agricultural services, contributions to commonwealth agricultural bureaux and a contribution to the agricultural economics research council in an amount equal to the contributions of the provinces but not exceeding $50,000, $3,368,900.

The Chairman: This item in the main estimates may be found on page 8 of the blue book and the details are on page 11. Shall the resolution carry?

Mr. Winch: Is the minister going to make a statement?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Chairman, the amount shown in the main estimates of the Department of Agriculture for the fiscal year 1964-65 is $140,124,800, of which approximately $140 million is to be voted by parliament and $70,000 is authorized by statute.

Included in this total are amounts required for three functions which have been transferred to the Minister of Forestry. These are the Agricultural Rehabilitation and Development Act, the Maritime Marshland Rehabilitation Act and the program respecting freight assistance and storage costs on western feed grains. The amounts required for these operations were included in the Department of Agriculture estimates prior to the functions being transferred to the Minister of Forestry. Where functions are transferred pursuant to the Public Service Rearrangement and Transfer of Duties Act the appropriations relating to them are treated as appropriations of the department to which they are transferred. Thus while these three items appear in the Department of Agriculture estimates, they will actually be appropriations of the Department of Forestry. The total of these amounts is $31,359,600.

This leaves a balance of $108,695,200 required for the Department of Agriculture for 1964-65. This compares with $105,096,545 for the same functions in the estimates for 1963-64. I might mention here that this is the gross amount, and it is rather complicated to find out what the net amount is. However, there was something over $13 million on the revenue side which would reduce the $105 million by that amount.

There has been one recent development in connection with departmental operations which I think might be of interest to the committee. This has to do with our research work. We have a very strong and capable research organization within the department. I think the importance of research and its contribution to agriculture are widely understood and much appreciated. It is important, though, that this be brought as closely as possible to the farming community which it is designed to serve. In many of our research stations there is a close and intimate association between the stations and agricultural interests in the area. This, of course, is highly desirable as a means of directing our research work toward matters of primary interest to producers. We are moving to strengthen these contacts.

We made a start in this direction at a meeting which I and officials held in Lethbridge two weeks ago with an advisory committee which I have had set up to advise us

on the operations of our range experimental station at Manyberries. The committee consists of five prominent ranchers and farmers in southern Alberta. We reviewed our work at Manyberries and received several valuable suggestions from the committee as to the direction that work should take. Both the committee and I and the departmental officers were convinced of the value of this type of arrangement, and we plan to extend it gradually.

The total cash income from the sale of farm products in 1963, $3,220 million, was the largest on record, being 2.2 per cent above the previous record in 1962 of $3,154 million. The net income of farmers in 1963 was $1,716 million as against $1,679 million in 1962. The net income is made up of gross income, including cash income, income in kind and government payments, minus operating expenses and depreciation charges and with an adjustment for inventory changes. Operating expenses and depreciation charges were again higher in 1963, being $2,180 million compared with $2,080 million in 1962. The net income in 1963 was exceeded only in the years 1951 and 1952.

While the net income in 1963 was higher than in 1962, the realized net income was slightly lower at $1,410 million compared with $1,491 million in 1962. The realized net income does not take inventory changes into account. The increase in the inventory value of products on the farm at the end of 1963, compared with 1962, was $307 million.

Another matter which I might mention has to do with agricultural exhibitions. If the exhibitions are to be of the best possible service to agriculture it is important that the classes and prize lists in livestock and other classes be related closely to utility values and encourage widespread participation by breeders. I have had extensive discussions with exhibition people and some of the breed associations about this matter, and I find them very much in accord with our thinking. We are arranging this year at some of the major exhibitions to have some pilot classes as a start toward this objective, and the department will be assisting in the prize money for these exhibitions.

Possibly I should enlarge on exactly what we propose to do with exhibitions, because I am sure hon. members will be interested as will livestock breeders right across Canada. We have some 35 research centres in Canada, along with enough substations to make up a total of 56. There are 128 exhibitions in Canada, and these exhibitions are held in nearly all the important towns or towns of sufficient size to sustain exhibitions.

[Mr. Hays.]

One group of exhibitions is known as class A because they provide $6,000 or more in prize money for agricultural purposes. Those in class B have to provide $3,000 or more to be eligible for inclusion in class B fairs.

Throughout the years the Canadian government has provided capital grants for these exhibitions to help them to erect buildings of a capital nature to be used for agricultural purposes. These grants were suspended in July of 1962, and for the most part they have not been reinstated. I discussed this matter with the provincial ministers of agriculture last June and again last December, and they were also of the opinion that we should take a whole new look at the exhibition set-up because it does play a very important part in research so far as Canada is concerned. I think we should relate this back to a form of research which we have lost in recent years due to the nature of the animals that are being shown. As I mention the vegetables, fruits and all the commodities that are shown at exhibitions, I will explain our program in relation to them.

This year we thought we would like to tie up this group of people who are the best breeders of livestock in Canada and who provide all the seed stock for our commercial enterprises. I believe they also do a great deal of work in so far as seed is concerned, and I am referring to corn and such things, and all the various activities that take place on the farm in connection with seed.

As a result of our geographical position we have always had a very high cost agricultural economy, but we have a very vigorous group of farmers. I think we have in Canada the best farmers in the world. This is probably a result of our geographical position, because they have to fight against great odds in connection with weather and that sort of thing. When you think of the 12 months pasture they enjoy in the Argentine or the 12 months pasture they enjoy in New Zealand, and when you think that Canada is covered with snow from coast to coast a great deal of the time, you begin to realize the problems the farmers have in competing with other countries of the world.

Concerning exhibitions, we felt we should take a new look at these exhibitions to see if we could not catch up on some of the work upon which our research centres are not moving fast enough. We thought we would tie in this program with the group of farmers raising these high class animals and thus make every exhibition a research centre for the betterment of agriculture in Canada.

We decided to do this first with beef cattle. We chose the Hereford to start with and we hope to extend the program to cover all the things that are exhibited. We chose Herefords because for the most part the breeders of these animals have abandoned exhibitions in Canada. The reason they have abandoned the shows is that fittings are so expensive, the cost of transportation so high and the prize money so small that even if they won all the first awards it was not worth while to exhibit these cattle. These breeders just stayed at home.

We have decided to revise the classifications for Herefords. I can best explain the program by relating it to the one breed and then you will see the direction in which we wish to move. Our breeders readily admit that during the last 10 or 15 years they have not been producing as efficient an animal as is possible. When I say "efficient" I am talking in terms of feed conversion and that sort of thing. It takes about five pounds of grain to make one pound of beef today on the hoof. If you realize that it now requires only two and a half pounds of feed to make one pound of chicken, you will acknowledge the job the chicken people have done in the last few years and you can see the objective that the beef breeders have in Canada.

Even though the production of beef was up this year we thought we would like to make these animals more efficient. We have therefore devised six classes and one steer class instead of the 15 or 20 classes we had before. We will have two classes for yearling bulls. They will have to be born in the spring, at the time when beef cattle should be born, and not in the fall when they are expensive to look after. We say he must be born at this time.

The first class will consist of yearlings at the time of the exhibition; this will give the people of the country an opportunity to see this animal. The next class will be the two year old class. We use this class because this is the time you would purchase a bull if you were going to turn him out and use him as a herd sire. These would be the only two classes you would have as compared with the numerous classes we used to have. We would put all the money on these two classes for bulls.

Then we would have four female classes. We would have the yearling class, and this animal would have to be born in the spring and would be comparable to the animal we would ordinarily slaughter at this time. It would weigh around 1,000 pounds. Then we would take the two year old female, and there would be two more classes. There would be a three year old cow with a heifer calf afoot, and the next one must be a cow, three years or over, with a male calf afoot. These would be all the classes we would have in this category.

Then we would have a steer class common to all of these classes. This steer would also have to be born in the spring. Anyone who showed in the herd class would have to show in this steer class. The steer would be shown and then slaughtered. He would be cut in half and half would go into the cooler so people could see him. The other half would be judged on cutability, not on the basis of wholesale cuts so much as getting right down to the hamburg, the steaks and all of the other cuts. He would be judged 50 per cent on the hoof and 50 per cent on cutability, in terms of dollars and cents. Suppose, for example, he weighed 1,000 pounds, he would probably yield $271 on the basis of cutability. Another steer of exactly the same weight may bring only $250 on the basis of cutability. As I say, the steer would be judged 50 per cent on the hoof and 50 per cent on the basis of cutability. We would have a weight for it, conversion rates and all this sort of thing.

We feel this is a move in the right direction. I have discussed this with the directors of the Canadian Hereford association, with the directors of A exhibitions and the provincial ministers of agriculture. They all feel it is worth a try. I am happy to start this year with the western fairs, the A circuit. There will be a pilot project in so far as this program is concerned, and the federal government will be contributing half the prize money.

The people concerned with the London exhibition were down here. I feel that around London we have, in so far as Ontario is concerned, some of our very best breeders and some of our very best thinkers They feel we should go one step further and use their exhibition to go ahead with a dairy cattle program. We have suggested that we do away with the young classes and that we start out milkers two, milkers three, milkers four and milkers five. These are the categories that the people from the 30 or 40 different countries who attend these fairs come to this country to buy. In this way we would move toward efficiency in relation to the 128 exhibitions in Canada. It would give us a great deal more research than the people, who are doing a good job, could possibly give us today.

In so far as wheat is concerned, we would say that one bushel of wheat must be backed up by 50 acres. We would not be selecting wheat on the basis of making a world wheat king. We would do the same thing with corn and so on through the whole list of items. I thought you might be interested in what we planned by way of getting more and better research in connection with producing seed stock.

In our research station at Manyberries we have 41,000 acres, on which we have 13 projects. I believe the cattle project has been completed for some time. We have also done some work there in crossing Highland cattle. We have selected the five top people around this station, and the people at the station would say, "Well, what do you want us to do; what is needed in this particular area?" This is something whereby the producers will be able to bring their work much closer to the job these research centres are doing. We hope to expand this as soon as we are able to and, as I say, we have 37 of these institutions.

I am sure hon. members will agree with me that when they stop and think of some of the great problems we have or are going to have in agriculture, there is a job which we must do in order to keep up with other countries in the world if our own people are to be able to compete in agricultural products right here in Canada. I mentioned hogs. We have seen our hogs go down in quality while other countries are producing a 10 to 15 per cent more profitable hog on feed conversion. It takes us about 3½ lbs, of feed to make a pound of pork. We are speaking now about $4 a pig. I have brought this to the attention of the Canadian Federation of Agriculture which is holding a hog conference in Montreal toward the end of this month, and the members of that organization hope we can work toward getting this job accomplished in a hurry.

I sent a hog mission to Denmark last year and on their return asked them how long it would take to produce a hog to compete with the Danish hog. They replied about 10 years, but at the end of that time the Danes might still be 10 years ahead of us. Therefore we propose to put testing stations right across Canada so we can select these animals that have a feed conversion rate of 2.1 or 2.5 per pound of pork. By doing this we can follow the example we set with our dairy cattle. At one time, out of the 40 recognized world records, Canadian dairy cattle held 38, but today that figure has dropped to about 15.

The Canadian farmer can do this job because he is the best thinking farmer in the world and has proven himself so in many fields. I will give another example of what we can do. Last year we raised about 6 million acres of barley. Most of this barley, particularly in western Canada, was grown for malting purposes, yet only 10 per cent of it was used for malting. Our export markets were down because they wanted a white barley instead of a blue barley, and if the Canadian farmer had grown feed barley we would have had a market for a great deal of it in Japan and possibly China, because it is the sort of barley they want there.

If you stop to think of this 6 million acres of barley and the different varieties, Parkland and Montcalm as compared with Husky and Jubilee, you are talking about 10 bushels to the acre on 6 million acres, which is worth $30 million or $40 million to the farmer. When we speak about hogs of 10 or 15 per cent more efficiency we are speaking about an increase of $35 million, and when we speak of seed wheat we are talking about an increase of 90 million bushels.

If we in Canada do a proper job of research we can produce another $100 or $200 million worth of produce from exactly the same farms and the same land, provided we give the farmers the tools to do the job. To illustrate the kind of job the farmer is doing, in 1936 it took 27 cents of the workingman's dollar to feed his family, while in 1963 it took him only 19 cents. If you take subsidies into account you will find that the Canadian farmer feeds the Canadian workingman, living in an urban district, cheaper than the workingman is fed in any other country in the world. Therefore we have to give the farmers the tools to work with if they are to be the efficient sort of people they can be, producing the finest feed grains, wheat and livestock in the world.

Due to our geographical position we are not plagued with the sort of diseases which tropical countries cannot eradicate. We have high health standards, good farm land and a good group of farmers. But our farmers' image has been tarnished, and I do not know why. The other day I drove into a parking lot in Ottawa where a chap asked me "Are you from western Canada"? When I told him I was he asked, "How do you like all that money we send you to keep you on your farm"? We have to change this attitude. It is not helpful. When you stop and think about the amount of money we use from our budget on agriculture it is not much more than the C.B.C. uses. We know we like culture and

that sort of thing, but you cannot watch it with an empty stomach.

Mr. Hamilton: My first word, Mr. Chairman, must be of congratulation to the minister. I do not think anyone can deny the tremendous interest that he aroused on this side of the chamber, and I hope on his own side, with his views on research and bringing research closer to the people. Having made that observation I would like to go on and, if I may, preach a political moral.

One of the chief responsibilities of a minister is to try to see the whole picture. I can illustrate this not only by the old story of not being able to see the forest for the trees but also by a much more cogent political anecdote. Once a very experienced politician was talking to a group of new politicians and he wanted to assess their political judgment. He asked them, "If you were put into a closed field and in that field there was a wild bull and a wild bear, and you had a rifle with one round of ammunition, which animal would you shoot"? Of course the bright politician came back with the answer "I would shoot the bear. A politician can always shoot the bull."

I tell this story to illustrate my theme. What we heard this morning was a very fine statement on how we should use our research institutions to carry the knowledge and know how of our scientists right down on to the farms. This is very important, and I agree with the minister that it is long overdue. Each one of us who has gone through the farm areas of the country has seen some farmers using all the knowledge of the technician and the scientist and doing very well, but in the very same areas other farmers are not using the knowledge which is available. This is something to challenge any minister of agriculture, and the minister should be complimented for taking on this task.

Now I have to go on and say that I hope, in chopping away at this tree in the forest, he does not forget the over-all picture because from the statements that have been made by the minister and others in the last year one begins to wonder if in the Liberal government there is this over-all comprehension of the basic and fundamental needs of agriculture. Once or twice during his speech today the minister indicated that he had a little glimmer of what these needs were.

There has been a tremendous concentration by the Department of Agriculture on the techniques of increasing production, making two seeds grow where one grew before, putting more pounds of beef on cattle, on poultry meat and hog meat, side by side with a lower grain input. What has been missing over the long years of the department's history has been the concept that it is of no use getting farmers to produce things and then leading them into a blind alley because there are no markets at the end of the road. The minister should be praised for grappling with this problem of lack of contact between the work done in the scientific and technical fields of his department and the farmers in general. He realizes that this knowledge has to get to the farmer, and I think he should be congratulated for the remarks he has made today. This is not the end of course, and a great deal remains to be done, but the hon. gentleman will find us ready to support him in the efforts he is making in this direction, as the applause he heard at the end of this part of his observations indicates.

This is not to say the minister should lose sight of the whole picture. I have been collecting the hon. gentleman's speeches made over the past few months, and some of them do indicate that he realizes the nature of the problems which are facing us. I should like to remind the hon. gentleman of what he said last October—it was on October 14—speaking on a supply motion, and again speaking on the estimates on December 12. In his speeches since then he has indicated also that there are three legislative acts which he wishes to bring forward. One has something to do with crop re-insurance. We have heard this since last October, and speeches touching on it were made on March 18 out in Regina intimating that these measures were ready. Then the minister went on to make a statement about two weeks ago to the effect that he was being delayed, that these things were being held up and that he could not get his proposed legislation on the order paper.

Mr. Hays: I should like to correct one statement. I did not say I could not get it on the order paper. That is not correct. I said the house was so slow in getting legislation through that we lacked time to deal with some of these very important measures. I did not say we had trouble in getting it on the order paper.

Mr. Hamilton: Of course we shall accept the minister's word for it. I know the difficulty we have at times. But I wish he would consult the Lethbridge *Herald* and ask the editor to correct the absolute nonsense which was printed on that occasion. Here is an editorial from the Lethbridge *Herald* dated April 11 and entitled "The Farmers Wait".

The need for new parliamentary rules has been graphically illustrated by remarks of Canada's

Minister of Agriculture, Hon. Harry Hays, during his recent visit to Lethbridge.

He has three important measures waiting to be brought before the House of Commons, but he can't get them there. The government's legislative program is bogged down by an opposition filibuster, and under the present rules nothing can be done about it except invoke closure. And the Liberal party is still licking its wounds from the last time, eight years ago, that it tried that.

Would the hon. gentleman please write to the editor of the Lethbridge *Herald* telling him to take out this arrant nonsense and that the minister can, at any time he wishes, put something on the order paper so we would at least know there was something tangible ready. We would give it first reading so we could consider it. We would look at it. I think the statement to which I have just referred is one which should be corrected. If the minister has this legislation ready he should put it on the order paper—

Mr. Douglas: Providing there is something to put there.

Mr. Hamilton: —and not go around letting innocent editors think this house is holding up any legislation for agriculture.

Some hon. Members: Oh, oh.

Mr. Hamilton: The next point I should like to make has to do with the cost of farm machinery, a question about which we have heard a great deal. I have the experience of an investigation which was carried out in Saskatchewan over the years, and I have participated in investigations which took place here in Ottawa. As a matter of record, an investigation into the cost of farm machinery was being carried on by the standing committee on agriculture and colonization at the time the government changed. I understand that the present standing committee on agriculture and colonization has so far only held an organization meeting and, if my information is correct, nothing has been referred to it.

Here we have an incomplete study of the cost of farm machinery carried out in the 1962-63 session. Also, up to the end of the last session the same standing committee was working on a major item of cost to eastern farmers, that is the cost of eastern feed grain. We had brought in all these witnesses to give evidence. The committee, composed of Liberals, Conservatives and representatives of the Social Credit group, the Creditistes and the New Democratic party, were all working closely together to try to find effective ways of reducing the cost of eastern feed grain. I suggest to the minister that rather than going out to the west and saying that the opposition is delaying these things, we should make use of the machinery which is available in parliament under the present rules. Some of the most able men in this country would be glad to sit on this committee, to forget party differences and see whether they could not get at the factors responsible for this situation in which feed grain represents the major item of cost to eastern farmers.

I was hoping to hear from the minister an indication that agriculture is confronted with other problems in addition to the one respecting research. The biggest item of cost to eastern farmers is the cost of feed grain. In this regard the minister seems content with the action he took last summer, hoping that this will achieve the results he desires in stabilizing the price of grain to eastern farmers. At that time I indicated we had grave doubts that the action taken by the minister would get to the root of the trouble, and if hon. members would read the findings of the standing committee I think they would agree that my observations were well founded. So my proposal today is that the minister get on with his work to trying to bring the research done in the department closer to the people, but that he should not neglect these other aspects to which I have referred.

I hope he will look at another tree in the forest. Eastern farmers find themselves in most desperate need. I put on record last October that farm income had moved upward in the western provinces and that it was holding fairly steady in Ontario, but the rise in Ontario was held down by the fact that many of the areas were not as productive as they should be. In Quebec and the maritimes, however, we were facing one of the greatest challenges in the whole field of agriculture.

During the last election campaign—the last two, as a matter of fact—I asked the Conservative party to back me in a program concentrated on raising the farm income of eastern farmers, and by "eastern farmers" I have always meant to include those of British Columbia. I was opposed by the western Liberals, one of whom was elected to the legislature in Regina the other day, on the ground that I was going out to help eastern farmers and should be defeated. I carried this campaign into every constituency in the west and the western farmers supported me; they supported this program of having the federal government concentrate its interest for a few years on lifting up the eastern farmers as we have done in the west. We did not do anything against

the eastern farmer as a government. Indeed, our policy of finding world markets for western grain not only led to an immediate rise in income of western farmers but also caused an updraft which was of benefit to eastern farmers.

This was not enough. There had to be concentrated planning on several of their problems, and I outlined a six point program to meet those problems. We have been waiting for a long time to see what government policy would be.

During the election campaign the national Liberal program was first of all to get at this problem by naming two ministers of agriculture and thus raising the importance to agriculture of the departments of the two ministers. Since that time what have they done? They have decimated the department and made it look like a skeleton; and you know, Mr. Chairman, what a skeleton looks like out on the open street. They have taken the Department of Agriculture, and instead of being one of the two or three top departments of the government they have put it down to No. 20 or No. 23 on the list. First of all they took away the wheat board, which was the marketing arm of the department, and emasculated the whole idea of bringing agriculture into a co-ordinated and cohesive policy making machine.

No sooner had they done that—and we had a second minister of agriculture sitting in the wings for almost a year—then they began to cut the department to shreds and scatter it all over the place. I am not opposed to the moving of any sections of a department if greater good can be accomplished, but I think what has actually happened is that the Department of Agriculture has now become diversified.

During the course of his estimates I should like to ask the minister to answer some questions as to what these statements which have been made recently mean. I have not had much chance to go over what has been happening in Canada recently. For example, this is a headline in the Manitoba *Co-Operator* of April 2, 1964:

> Sauve says new department independent.
>
> The federal government's proposed new department of forestry and rural development is going to operate as an independent unit free of agriculture department controls—

Now, Mr. Chairman, this is not the way to get at our agricultural industry. We have been working for years to bring to agriculture all possible uses of the land which we have such as forestry, for recreation, for any use whatsoever which will increase the income of farmers on that land, as one of the techniques of trying to lift the incomes of farmers on marginal land. Yet we now have a minister saying in a farming paper that this new department is going to be independent, and that is what I am concerned about.

Here we have a government trumpeting that they are centralizing the military services after many years of discussion to get efficiency, co-ordination and cohesion into the military operations in this country, yet at the same time the government are diversifying agriculture. Who is going to finance the military if the farmers are not in good shape? Agriculture is still the basic force for building up the economy of the whole country, and when agriculture is doing well every workingman in the cities of Vancouver, Winnipeg, Toronto, Hamilton, Montreal and all across the industrial country does well. If you ever reverse the tide with regard to agriculture, then in two or three years you will find the workingman out of work again.

Yet we have agriculture, which we fought like anything to get moving again, all of a sudden being divided up.

There have been words spoken about two or three ministers working together; the Minister of Trade and Commerce looking after wheat, the Minister of Forestry looking after redevelopment and the Minister of Agriculture looking after railway line abandonment, and out of this triumvirate we would get a co-ordinated policy. When I was minister of northern affairs and national resources and responsible under the laws of this country for the planning of all the uses of resources of the country, both in co-operation with other departments of the federal government and with provincial governments and private business, we were working out plans for agricultural redevelopment and plans for the Department of Forestry.

At that time I made no secret, either privately or publicly, of the fact that the job of the minister of northern affairs and national resources was simply planning the operations, but that the Department of Agriculture would be the operating arm because they had the tremendous experience and ability in their department and the staff to co-ordinate the work of all these departments in order to bring the help of all the experts in forestry, recreation, wildlife and all the rest of it to bear on bringing more income to the land. But in the planning which we carried out in our national development program and in its component part, the national agricultural program, the agriculture department was looked on as the heart and muscles

for the carrying out of the programs worked out by the various departments concentrating on the problem in their particular segments, because in that agriculture department we had the machinery. This government has reversed the whole thinking of the previous national agricultural program, and the test is going to be whether this diversification of a once great department and its relegation down to a subsidiary position in the over-all scale of things in the new regime will lift up farm incomes.

I am going to suggest to the minister in all seriousness that the real challenge before any agriculture minister today must be not just the individual problems of agriculture but that of seeing the situation as a whole. I will let him tell us what he is going to do about his program for cutting down the cost of farm machinery, about his crop reinsurance program and the changes in the Farm Credit Corporation; and we are sitting here ready and willing to help that legislation through the house if there is going to be anything in it to help agriculture. Therefore we would ask for a statement from the minister in this regard.

Now, basically these are the big problems. The big problems in Canada are traced by the research into the income which comes to the farmer. The minister mentioned that in 1963, which was one of the greatest years in the agricultural history of the country, the net income of the farmer was slightly higher. Gross income was up 2 per cent. He went on to confess that costs had also gone up, and then he mentioned the key matter, that the realized net income was down.

Mr. Chairman, the farmer does not give a hoot for any net income figures, and I hope that the minister throws those out of his lexicon. All these net income figures represent bookkeeper's figures. Whenever a farmer grows a big crop the bookkeeper adds the inventory on to his income, but he does not get any cash. Then when he sells his big crop the inventory value is taken off his net income they say his pockets are full. So that net income is meaningless. What one should look at is realized income. The minister said this was down in 1963. It certainly was not down in western Canada in 1963. Therefore it must have been down in eastern Canada.

This is the problem, Mr. Chairman. You have one segment of the industry going up much faster than another sector, so that any program which does not concentrate on the needs of the eastern farmers today is missing the main target. On the minister's estimates last year I asked him, where is this national dairy policy? We had been grappling with that over the last two years of our term of office and had finally got the industry to sit down with us at a conference in February, 1963, where the late Dr. Hannam made his last great effort. He was chairman of the conference.

Last October I asked what was being done. We did get an announcement about a year ago, just before May 1, relating to price supports. We are still waiting for the price supports for this year even though May 1 is very close. As I pointed out last year in my statement on the estimates, price supports are only a short term policy for one year. What the dairy farmers are concerned with, as well as the great bulk of the dairy industry in eastern Canada, is when we are going to get a national dairy policy. These farmers knew that we were working on it and that it was a very difficult matter. They knew that we had to get co-operation from the provincial governments. We got that co-operation from Quebec and Ontario, and they knew that the others would follow. But what has this government done to grapple with the long range problem of the dairy industry?

Mr. Vincent: We do not know yet.

Mr. Hamilton: No, we do not know. I suggest that is what we want to hear about. What has happened to the income of the eastern farmers? The minister skipped over that point when he said it is down for the whole of Canada; but since it was up for the west last year it must be down for the east. We want to know what he is going to do with this legislation; but above all we want to know what is going to happen with regard to a national dairy policy. That is the greatest blistering sore on the whole agricultural industry today. I know the problem is tough and it will be difficult to get the co-operation of the provinces and the farm organizations.

Mr. Hays: Mr. Chairman, would the hon. member permit a question?

Mr. Hamilton: Yes.

Mr. Hays: Is it not true that this is a record year for the dairy farmers, and that they have received more in Quebec than they have ever received since confederation?

Mr. Hamilton: I am very glad the minister asked that question, Mr. Chairman, because it makes me despair of any hope for him in the future. It is no use worshipping these little figures that are published and show an increase of a percentage point. I will let some

of the members from Quebec answer that question in detail. It is no good taking comfort from an increase of a percentage point; you cannot get away from the basic fact that the minister is pinning all his faith on the hope that the present system will work its way out of the difficulties. I am pointing out to the minister something I am sure is right; that unless there is radical action in connection with the dairy industry, they will never be out of trouble. Because cheese, or some other product, is up a percentage point the minister says "We will get out of the trouble"; but he will not get out of the trouble, because the trouble is fundamental.

Mr. Hays: Mr. Chairman, could I ask the hon. member a question?

Mr. Hamilton: I should like to finish my remarks, Mr. Chairman. The minister will have to face up to the fact that the dairy industry is now national and is not centered around some city. The products are marketed all across the country, and the problems are exactly the same in the United States and 20 or more countries in Europe. Unless this question is faced in a national way in order to get at the basic, fundamental problems involved, the minister will not find a solution.

I suggest that the first fundamental is marketing. We will not be able to market these products in countries where there is a surplus of dairy products. Going over the GATT conferences and spending all your time talking about what you are going to do, and trying to sell dairy products to countries which have a surplus of such products is like milking a dried-out cow. That is what the minister is doing.

The minister must get at the fundamentals of the dairy program; he must work with the farm organizations, bring them together and get the support of the provincial governments. I know that the minister of agriculture of Quebec and the minister of agriculture of Ontario are willing to work together, but there is no leadership from Ottawa. We waited to hear something about that today, but we did not. Did the minister have a question?

Mr. Hays: No.

An hon. Member: He forgot.

Mr. Hamilton: Yes, he forgot. I think I have said enough, Mr. Chairman, to make my point. In going after the individual trees in the forest—

Mr. Hays: Mr. Chairman, may I ask the hon. member a question? Why didn't he do more about it?

Mr. Hamilton: Mr. Chairman, I think this indicates the bankruptcy of policy or ideas of the minister. After holding office for a year, with the most pressing problem facing agriculture as a whole, that of the dairy industry, he asks what could we do about it. I know that when I was in the department there were at least 15 different alternatives, and at least one or two showed signs of promise. We pulled in representatives of farm organizations and set up a committee. How many times has that committee met? What leadership has been given by the minister? He has available in the department all these alternatives, but the real task is to get down and choose the alternative that in his judgment is best and try to take some action on it. It will not be done quickly, but he will have a great deal of co-operation from the minister of agriculture in Quebec and the minister of agriculture in Ontario.

An hon. Member: He cannot get any from his colleagues, though.

Mr. Hamilton: That is right. I have made my points as well as I can, Mr. Chairman, with regard to the tremendous challenge of the declining farm income in eastern Canada. I like to think that the two hon. members from rural Quebec who came over to support us did so because they came to this house as a protest against the poor agricultural conditions in their part of the country, and the government has done nothing about this.

Some hon. Members: Hear, hear.

Mr. Hamilton: They have heard the debates in this house. They heard the debate during the supply motion last October, in which I indicated in statistical form the sliding income of Quebec and the maritimes in particular. I suggested several directions in which the government could go. Then they heard the minister's answer, that statistics are for losers and that all this was a pile of junk. I do not think it is a pile of junk to put before the house statistics which indicate that there is a pressing problem in certain parts of Canada.

Last December during my remarks on the estimates I asked the minister whether he had knowledge of the farm survey we conducted in 22 districts of eastern Canada in January, 1963. I said at that time that I would not ask him to produce the document, because much of that document is shocking in its significance and if the rest of the people of Canada found out just how poor were the farmers and how low was their standard of living in a great part of our farm population,

mostly in northern and eastern Ontario, Quebec and the maritimes, there would be a demand on any government, Conservative or Liberal, to take action; because we cannot let 25 per cent of our people live in what can only be described, in city parlance, as slum conditions.

This problem is not new. With regard to this survey, I am coming to the conclusion, since I cannot get the government to take any action in regard to it, that we should ask the minister to publish it and let the people of Canada see what it is like to live in certain counties not very far from here, and counties through Quebec, New Brunswick and Nova Scotia. We did not even make a survey of Newfoundland because we knew what it was like without making a survey. We should let the people of Canada see just how their fellow Canadians live in this country. Let that survey be published and let us begin to draw the conclusions that must be drawn from the survey and take action against these problems.

Some hon. Members: Hear, hear.

The Chairman: I am sorry to interrupt the hon. member but his time has expired, unless he has unanimous consent to continue.

Some hon. Members: Agreed.

Mr. Hamilton: I am quite content, Mr. Chairman, to stay within my limit of 30 minutes.

The Chairman: Will the hon. member please continue. He has unanimous consent.

Mr. Hamilton: I have just about finished my remarks anyway. I say with all the force at my command that all parties in this house will stand behind the minister in any courses of action which are constructive and which move forward. I think the two basic problems are, first, the dairy industry—which is a national problem but is mostly concentrated in the east—and second the low income of eastern farmers. We from the west, with almost every seat represented by Conservatives at the present time, will stand behind the minister in any program that will help lift up our fellow Canadians.

Mr. Peters: That may be more support than he has from the Liberal party.

Mr. Hamilton: If I may impose on the committee for a moment or two longer, Mr. Chairman, I have in my hand a whole mass of promises made by the Prime Minister. I do not want to take up too much time, but I will quote just a few:

[Mr. Hamilton.]

A new Liberal government will take the initiative in formulating, in co-operation with the provinces, with farmers and milk distributors, a system of free milk for children in school.

This will only help the dairy industry to the extent of 1 per cent, but it is a little help and we will support it. Then with respect to dairy cattle the Prime Minister said this:

With respect to dairy cattle, the objectives will be to have at least 25 per cent of dairy cows on test within ten years.

I do not know how much the candidate concerned knew about the dairy cattle industry, but I would like to know what is happening with regard to these matters. Then the Prime Minister spoke about eastern agriculture, about which nothing has been done to solve the problems. He said:

Under no circumstances will a new Liberal government allow the Crowsnest rates to be eroded or abandoned by any branch line abandonment policy.

Well, they put the minister in charge of branch line abandonment, and he would not tell us what the policy was before the Saskatchewan election, so I do not think it bodes too well for us in this regard:

Would immediately provide for a floor price of $2 a bushel for No. 1 northern wheat and appropriate differentials for other grades to apply over the life of the present international wheat agreement.

Here is another promise in respect of a two price system for wheat:

This policy will be accompanied by a consumer subsidy so that there will be no rise in the price of bread.

Bread has gone up in price but there is no consumer subsidy. Here is another statement made in Regina by the Prime Minister:

Tonight I pledge that we will move immediately to increase the funds available under the Export Credits Insurance Act for financing farm exports.

I have not heard a peep about amending the Export Credits Insurance Act. I can go right through this whole long list, page after page of such promises. Here is another one:

A Liberal government will promptly seek agreement with the provinces on a plan which will enable marketing boards to operate on a national scale—

What is happening there? And so on. I am not suggesting that all these things outlined by the Prime Minister are going to be done. He has gone 60 days in one direction and then 300 days in the other direction. He now says there is a change in policy. He goes one way for 60 days and another way for the other 300 days. All this confusion is bad enough in the case of other ministers who are

new at their jobs and do not know much about Canada, but the Minister of Agriculture has, I am sure, the solid support of every member of every party for any move that will help agriculture. We know that the problems are difficult but I say to him now, bring in the legislation. Put some evidence before us that you have a national dairy policy. Bring some evidence before us that you really want to tackle the problem of the low income of eastern farmers. If you do these things you will get our support.

The Chairman: I see the Minister of Justice rising at the same time as the hon. member for Vancouver East. It has been the custom on the first item to have a statement of policy or in any event a general statement from a representative of each party. I suggest that we should follow the same procedure; therefore I call on the hon. member for Vancouver East.

Mr. Winch: Mr. Chairman, I do not know whether an electrician can throw any light on agricultural policies, but I should like to make an approach to agricultural problems without going into details with regard to the various phases of the agricultural economy.

I was most interested in the remarks of the previous speaker. Time after time he spoke about the need to get down to fundamentals. Time after time he spoke about the need for a national agricultural policy. I do not know of any man or woman who stands for election in Canada or who has been elected to any of the legislative chambers of Canada who would not make exactly the same kind of statement, the same kind of speech and utter the same kind of platitudes and generalities. Platitudes and generalities are not the important thing. The important thing is, when is somebody going to have the courage to tell governments and agriculturists that they have got to face up to the problem and perhaps accept things that go against their grain?

We are not going to solve the problems of agriculture with policies based on bits and pieces. We have got to get down to the groundwork of doing the thinking for a national agricultural policy that will cover all phases of agriculture and will tie in agriculture from the west to the east, from the Pacific to the Atlantic. If we are going to approach the major problems of agriculture in that manner then government members, official opposition members and others are going to have to face up to an analysis of the Canadian economy and the principles that govern that economy.

We have heard a great deal said about the fact that in Canada we live under a private enterprise system and are proud of it. But, Mr. Chairman, you cannot separate the agricultural economy from the over-all economy, and if you honestly analyse our over-all economy today you will see that so far as the federal authority is concerned, we are rapidly getting away from a free enterprise system to a subsidized economy system.

Let us face the facts. So far as the federal government is concerned it is already subsidizing many aspects of the over-all economy. We subsidize the gold mines, we subsidize the coal mines; we subsidize the railways; we subsidize the shipping industry.

Mr. Douglas: The manufacturers, through the tariff.

Mr. Winch: Through tariff procedures we subsidize the vast majority of manufacturers in Canada. We have a subsidized economy not only generally but in agriculture as well. May I make it very clear that in the 11 years I have been a member of the House of Commons I have always supported agricultural subsidies because of need and emergency, but we have passed the stage where such subsidies are granted only for a year, three years or five years. They have now become a part of the agricultural economy, a part of the subsidized economy of Canada, and we are not going to get down to a basic understanding of the problems and how to meet them unless we face that fact.

Just before I call it one o'clock I should like to say something so that it will appear in this portion of my remarks. If Canada does not have a secure agricultural economy, with those engaged in agriculture receiving incomes comparable with the incomes of other workers, this country is in trouble. If agriculture fails we do not eat, and if we do not eat we die. This is fundamental and basic, so let us start with this premise.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Chairman: When we adjourned for lunch at one o'clock the hon. member for Vancouver East had the floor. I understand the Minister of Justice has a short contribution to make to the debate and, since he has another obligation later this afternoon it has been suggested that he be allowed to make his contribution now and the hon. member

for Vancouver East would reserve his right to continue and terminate his speech later. Is that agreed?

Some hon. Members: Agreed.

Mr. Favreau: Mr. Chairman, may I first thank the hon. member for Vancouver East for his co-operation in agreeing to suspend his interesting speech to allow me to fulfil an undertaking which I had given to the house on March 31 last. At that time, at the request of the Minister of Transport, I told the house I would, along with my officers, analyse the events which took place between February 3 and February 20, 1964, that is between the time the first order in council was passed, which purported to transfer from the Minister of Agriculture to the Minister of Forestry certain of the powers of the Minister of Agriculture, and another order in council of February 20 by which the first order in council was annulled and rescinded. I could have limited myself to making a statement on motions, but in view of the opinions which I have given to the cabinet on all the facts involved, I thought it would be fairer to the members of the house if I made a statement in committee, thereby enabling hon. members to question me on any aspect of the statement.

I wish to inform the committee of several actions taken by the government in response to certain questions raised when the transfer of duties between the Minister of Agriculture and the Minister of Forestry was discussed in committee of supply. In the debate that took place in committee of supply on this matter, following the statement of the Minister of Transport on March 26, hon. members opposite raised certain questions and it is important that these be dealt with. First of all, there is clearly some uncertainty in the minds of some hon. members concerning the actual effect of the three orders in council, No. 157 of February 3, 1964; No. 295 of February 20, 1964 and No. 360 of March 5, 1964. Questions were raised about the status of actions which may have been taken by or in the name of the ministers concerned, particularly during the period between the first two orders.

The committee will recall that on March 31 I undertook to have the officers of my department look at the actions in the period between February 3 and February 20 which might have been affected by the orders in question. This has been done, and a copy of a letter addressed by me to the Prime Minister on April 20, which reports my findings, has now been tabled. I believe, Mr. Chairman, that under the rules of this house, even as Minister of Justice, I am not entitled formally to give an opinion to the house. However, since I am the legal adviser to the crown and the cabinet, to all the ministers, I thought the way to obviate the difficulty would be for me to advise the cabinet by way of letter, which I have to do anyway, signed by me under my own responsibility. This letter has been tabled by way of a report to the house as to what I may have advised the cabinet. This may be a little technical, but I think it puts my position properly in relation to the constitution and will enable me to answer questions put by hon. gentlemen.

As is suggested in that letter, an order in council has been passed in the interim to remove any uncertainty that might still exist. The number of this order in council is P.C. 1964/600, dated April 23, and it has already been tabled. I would draw the attention of the committee to three particular aspects of it. First of all, the order recites that certain powers, duties or functions which had, by an order of February 3, been transferred from the Minister of Agriculture to the Minister of Forestry were retransferred to the Minister of Agriculture by the order of February 20. The effect of these words is to remove any possible doubt about what is referred to by the Leader of the Opposition as the effect of that second order.

Second, the last paragraph of the order of April 23 confirms all things done since February 3 by or in the name of the two ministers concerned under the Agricultural Rehabilitation and Development Act, the Farm Credit Act, the Maritime Marshland Rehabilitation Act and the Prairie Farm Rehabilitation Act.

Third, the new order makes one slight addition to the provisions of P.C. 1964/360 of March 5, relating to the administration of the programs respecting freight assistance and grain storage costs on western feed grains. Unlike the other matters transferred to the Minister of Forestry, these programs have no specific legislative basis other than items in annual appropriation acts.

Words have therefore been added to make it clear that the transfer of these powers, functions and duties is to have continuing effect in the new fiscal year and future years as the programs are extended by subsequent appropriation acts.

While there appears to be no legal necessity whatever, we will make assurance doubly sure by having the eight ARDA agreements, signed by the Minister of Agriculture during

the period February 3 to February 20, re-executed by the Minister of Forestry.

The second principal aspect of this matter which was called into question in committee of supply concerned publication. We have considered very carefully the arguments presented by the hon. member for Winnipeg North Centre, and we have done two things. First, we have decided that in the future copies of all orders passed under the Public Service Rearrangement and Transfer Duties Act will be tabled. As an earnest of this decision I have today tabled a copy of an order, P.C. 477, passed on April 6 for the transfer to the departments of public works, transport, and northern affairs and national resources of the principal responsibilities of the Department of National Defence relating to Fort Churchill.

There remains the question whether or not orders passed under the Public Service Rearrangement and Transfer of Duties Act require publication under the terms of the Regulations Act. This, as the hon. member for Winnipeg North Centre will be the first to recognize, is not a question of policy but of legal interpretation. The practice in the past was, I think, clearly stated by the Minister of Transport on March 26, and it will be seen from my letter that I am of the opinion that such orders are of an administrative character and not an exercise of a legislative power. However, we share the view of the hon. member for Winnipeg North Centre as to the public interest in these orders.

I am authorized by the Prime Minister to state that henceforth, so long as this government is in office, we will alter the previous practice. Any orders made under the Public Service Rearrangement and Transfer of Duties Act will be published in the Canada Gazette. They will also, as I have already said, be tabled in the house, and they will therefore have in substance the treatment they would be required to have if they were regulations within the meaning of the Regulations Act.

I think that points raised by hon. gentlemen opposite, on the occasion of the discussion of these particular estimates, in relation to the effect of the two first orders in council and with respect to the possible application of the publication provision in the Regulations Act, have had the advantage of making the government reconsider a practice which, in my opinion, was a valid one, and at the same time has enabled the government to modify that practice so that in the future these orders in council, which are of interest to the public, will henceforth be published and brought more directly to the knowledge of all members of the public.

Mr. Douglas: On this point, before the hon. member for Vancouver East continues his speech, I would like to say we are glad that the minister and the government have agreed henceforth to table these orders in council. This will be of great assistance to hon. members and the people of the country.

Did I understand the minister to say that an order in council of April 23 has validated any agreements that were signed by the Minister of Agriculture and they will now be considered to have been signed by the Minister of Forestry?

Mr. Favreau: There is, if the hon. member allows me to so state, a slight distinction to be made. As I said, they have been confirmed, which I think is different from being validated. This is my opinion, and I have advised the government very specifically in this matter. I have tried to place myself back 13 months ago, when I was practising law on Dorchester street in Montreal and advising a client in the most practical possible fashion. It is my opinion, and I have so advised the government, that the effect of the order in council has not been to invalidate any of the administrative acts which had been passed in the interval, but in order to avoid any doubt henceforth, the order in council of April 23 purports to confirm, that is to sanction and recognize, whatever has been done.

The principle that we have invoked and applied is that of agency. There is no doubt that the minister, on the occasion of a rearrangement of powers or a transfer of powers, becomes the agent of the government to that extent, and it is always the power of a principal to confirm whatever has been done in an imprecise period by an agent. But this has been done exclusively as a precautionary measure, and so as to make sure in the public interest that none of these acts may be brought into question at any time.

But I have this to say at the present moment. There are two types of acts which have been performed by the ministers concerned in the interval, or rather by the employees or officers of the two departments, and these are administrative acts. The acts of pure administration have been performed by the employees of the crown in their respective capacities in the name of the crown, and I am quite sure that each of them has purported to effect these acts in his respective capacity. So long as they were acts of pure

administration they were done on behalf of the crown, and they are not to be put into question.

But there were two types of acts with respects to which I must admit that some doubts have been raised in my mind. The first of these concerns the signing by the Minister of Agriculture of eight agreements with the provinces under ARDA between February 3 and February 20—around February 10 or February 15. So far as those are concerned, it is my view that the cancellation of the order in council of February 3 by the order in council of February 20 has had the effect of restoring the complete application of these statutes which vest these powers with the Minister of Agriculture. But for the sake of more precaution I have advised that the minister charged with the administration of ARDA should now sign these agreements so as to eliminate any possible doubt. On February 10, I believe it was, the minister appointed one person to act in connection with a program, jurisdiction over which had been transferred to the Minister of Forestry. There was doubt in my mind that he was entitled to make the appointment at that time, but the appointment was reconfirmed after February 20, that is after the order rescinding the first one had been made. So now there is no doubt that the reappointment now by the Minister of Agriculture was validly made.

One other question may arise and it concerns the validity of the acts performed by that appointed official between February 10 and February 20. I have not checked as to the number of functions performed but it is my opinion, as appears from the letter I have sent to the Prime Minister, that the application of the doctrine which is well known in law and which is called the de facto doctrine has the effect of confirming those acts. This doctrine means that when a person is appointed to discharge certain public functions, a judicial function, for instance if say, for certain technical reasons, the appointment was invalid, so long as the person concerned purported to perform acts which would normally have been within his jurisdiction, then he acted *de facto* as the person who might otherwise have carried out such acts, and from the standpoint of the public those acts are confirmed. There are a number of decisions in the case of minor judicial appointments cases where the original appointment has been declared to be invalid but where the decisions rendered by the person holding the office have been declared to be valid. Why should this be so? It is because the public may not suffer as a result of the invalidity of an appointment so long as the person appointed purported to carry out duties which would normally come within the jurisdiction he would have acquired had he been validly appointed. Anyhow, it is my view that the order in council of April 23 has the effect of removing all doubts as to the validity of what was done previously.

Mr. Winkler: May I ask the minister a question? Would he say with regard to the order in council of April 23 whether this order in council in fact indicates that an error or a breach of the law was committed in the month of February?

Mr. Favreau: No. It is the case that a legal adviser, whether he be the Minister of Justice or anyone else is not only entitled to his own view, but has the responsibility of forming one. On the other hand, no single legal adviser in a situation like this one which is, to a certain extent, complex, can be conceited enough to believe definitely that there is no possible doubt as to the complete validity of what has been done. We have wonderful judges in the superior court, but there are occasions when their judgments have to be reconsidered by the court of appeal. Even in the supreme court one may find four judges holding one view on a point of law and the other holding a different view. So my conclusion was that in the public interest, for the purpose of better continuity of the administration of the affairs of Canada, a way should be found of removing all doubt as to what has been done in the past, and confirming whatever has been done in case there may be some question as to its validity.

I think it is the obligation of the government to pass whatever measures are likely to achieve such a purpose. The opinion I gave to the Prime Minister represents my opinion in accordance with my full responsibility as Minister of Justice, and my recommendation for the passing of the additional order in council and for the re-execution of the ARDA agreement is one which ought not to be interpreted as a declaration of the invalidity of or in condemnation of what was done in the past. Rather, it was a recommendation made in accordance with my responsibility as a minister of the crown, so that a double measure of assurance might be given to the people of this country.

Mr. Douglas: It seems to me that the minister is being very gentle when he says the order in council of April 23 was merely to

confirm those eight agreements with the provinces, rather than to validate them. It seems to me that from February 3 until February 20 the right to sign those agreements was not in abeyance—it had been vested in the Minister of Forestry under order in council 157 which was passed on February 3. It seems perfectly plain that the Minister of Agriculture had no legal authority at all to sign those orders. So to say that the order in council of April 23 was passed merely to confirm what had been done, or remove any doubt, is in my view stretching things quite a bit.

The minister has drawn an analogy with judicial procedures, but it would seem to me this hardly applies to the case of a minister or agent of the crown when authority has been transferred from one department to another. In this case the minister from whom the powers had been transferred proceeded to sign eight agreements with the provinces, despite the fact that not only did he have no authority to do so, but that authority had been distinctly vested in another minister. The fact that the agreements had to be rescinded and confirmed by the order in council of April 23 seems to me to be something much more than mere confirmation. Indeed, it appears to me that this is tacit acknowledgement on the part of the government that the minister erred in signing these agreements when he had no legal authority to do so—that he was in error when he exercised functions which were vested for those 17 days in the Minister of Forestry.

I do not think there is any value in labouring the matter further. The Minister of Justice has done his best to deal with the situation, but I think we should not deceive ourselves that the order in council of April 23 was merely intended to confirm what had been done and clear up any doubt. I think there can be no doubt at all that the Minister of Agriculture who signed these agreements had no authority to do so. In these circumstances the Minister of Justice was right in insisting that a new order in council be passed and that the agreements be signed again.

Mr. Herridge: Mr. Chairman, may I just ask one question. I am wondering whether there is still some confusion. Yesterday on orders of the day I asked the Minister of Forestry a question relating to the ARDA program. That question was referred to the ten o'clock adjournment period. At ten o'clock yesterday evening the Minister of Agriculture replied to my question on ARDA. Can the Minister of Justice inform the house why the Minister of Agriculture, after the explanation he has given, replied to my question last evening?

Mr. Hays: Mr. Chairman, in reply to this question, the question of the hon. member seemed to us one which was dealing with some of the ARDA projects. Inasmuch as those projects were included in the agriculture estimates and we indicated, as I did also this morning, that this was the way they would be handled, I replied to the question yesterday.

Mr. Herridge: Then are we to discuss the ARDA estimates as included in the estimates of the minister and not refer them to the Minister of Forestry?

Mr. Hays: The hon. member realizes, of course, that the Minister of Forestry is ill and that these projects do happen to be in my estimates, and have been for some time prior to this. I am quite prepared to answer any questions about them, or if the minister is back he will answer them.

Mr. Hamilton: Mr. Chairman, like the hon. member for Burnaby-Coquitlam I do not think there is any point now in labouring this particular issue, but I think we should leave very clear on the record and in the minds of members of the committee that in this warfare which was going on during the month of February between the ministers dividing up the various parts of the corpus delicti, the Department of Agriculture, certain things were done which the Minister of Justice now confesses did create grave doubts in his mind, both with regard to the signing of the eight ARDA agreements by a minister who had no power to sign them, and second with regard to the transfer of one of the senior officials of the Department of Agriculture to the Department of Forestry who carried on certain functions during this interregnum.

I notice that the Leader of the Opposition asked the government when these discussions took place earlier if they would not pass an order in council ratifying all these acts which have taken place in order to make legal what the ministers had done in error, and whether the shifting of one member from one department to another had not created a very doubtful situation. All of these acts should be ratified by order in council. I think that what the minister is telling us is that in the actions which were taken, and in the April 23 order in council which followed those doubtful acts of the minister namely signing certain documents which he had no power to sign, and all of the actions of the official to whom

we are referring during the interregnum, have now been ratified by that order in council.

In bringing this matter before the house as the Leader of the Opposition requested, the minister is now following the suggestion which has been made, which I think adds up to this. In the haste to make these adjustments between the departments, and in pushing certain sections of the Department of Agriculture one way and then pushing them back the other way, the government has stumbled into a very serious mistake. In their haste they have made these mistakes and now they have to backtrack. I think we should make it clear to the committee and on the record that the government have now put themselves into a mess on a subject they did not know very much about, as a result of which this order in council had to be passed to rectify the situation, and in so doing they accepted the suggestion of the Leader of the Opposition.

Mr. Douglas: Mr. Chairman, before the hon. member goes on with his speech one point which arises from what the Minister of Agriculture said in answer to a question a moment ago. While it is true that the ARDA estimates are in the Department of Agriculture—because I presume this transfer had not been made prior to the estimates being drafted—I think the committee ought to insist that those estimates which deal with ARDA be held until the minister responsible for them is here. I think we have a right to hear his statement and to question him regarding the programs he is proposing for the coming year.

Mr. Hays: I am sure there will be no objection to this.

Mr. Winch: Mr. Chairman, in order that there will be no misunderstanding may I say that I was happy to grant the courtesy to the Minister of Justice to interrupt my speech on the agriculture estimates so that he could make a very important statement; and in the event that the Leader of the Opposition should ask the same co-operation I would be most happy to grant him a similar courtesy.

In the seven minutes for which I held the floor prior to the luncheon recess I was drawing to the attention of hon. members my view that we were not going to be able to resolve agricultural problems in Canada until we had a general national agricultural policy. In arriving at the same it had to be considered in relationship to the economic system as it now operates in Canada.

[Mr. Hamilton.]

In those seven minutes I made reference very briefly to the previous speaker who was not so long ago a minister of agriculture when the Conservatives were in power. I do not believe in discrimination, so I would not like to make reference to a previous agricultural minister without making reference to the present one. It may seem unusual and strange that I, as a private member on the opposition side of the house, should like to ask a favour of the present Minister of Agriculture. My favour is that before the first item of his estimates carries he does what he did not do when he opened his remarks this morning, and inform the members of this committee from his vast store of knowledge on agriculture, under his responsibility as Minister of Agriculture, of his views on a Canadian agricultural policy and what he hopes to do to bring this policy into being.

In the few minutes prior to the luncheon adjournment I was introducing my remarks by pointing out that emergency measures will not solve the problem of our economy in general and of agriculture in particular. I pointed out that we were rapidly moving, and have been for a number of years, from what is normally known as a private enterprise economy towards a subsidized economy. I outlined very briefly a few points of general economy and then I said that I should like to speak about subsidized agriculture. I submit that this government and the preceding government failed to bring about a national agriculture policy and to face up to the real issues.

If hon. members will refer to the estimates in front of them, which are for the fiscal year ending March 31, 1965, they will find there are agricultural subsidies in the estimates. In brief what are they? There are hog quality premiums amounting to $7,599,300; lamb quality premiums, $753,360; cheese quality premiums, $1,083,000; miscellaneous livestock improvement assistance, $16,000; lime assistance, $1,608,900; freight assistance, western feed grains, $18,500,000. These are the direct subsidies in the estimates, but that is only a very small part of the agricultural assistance program. It is not possible to get any figure as to what this assistance will be in the present fiscal year because the majority of agricultural subsidies are not in the estimates; they are covered by statutory authority. It is my understanding—and this information was received only today from the Department of Agriculture—that it is hoped it will not be too high on eggs and hogs because the selling price may be above what is known, I believe, as the support price.

Let us examine the situation and take, for example, butter. I believe my information is correct, that on May 1 the government will announce what its butter policy is going to be in regard to deficiency payments and support price. Last year it was 12 cents per pound. Butter production last year amounted to 345 million pounds; so by statutory payment the butter subsidy cost the federal government in the neighbourhood of $42 million. I do not believe that the majority of members understand that because of a bits and pieces agricultural policy over the years we now have a subsidized agricultural policy in Canada. I base that remark on the Agricultural Stabilization Act, chapter 22, Statutes of Canada 1957-58. How many people realize that private enterprise does not seem to work very much more in agriculture, and this is a basic and absolutely vital and fundamental part of our economy.

May I very, very briefly, for the information of hon. members, deal with this matter. I cannot give what might be estimated for 1964-65, but I refer to the fiscal year 1963-64. How many hon. members know how much the federal government, through its taxation, is tied up in the maintenance of agriculture? During the fiscal year 1963-64 the prices of the following commodities were stabilized under the act: creamery butter; cheddar cheese; cattle; oats—not under the Canadian wheat board; barley—not under the Canadian wheat board. Those commodities were stabilized by purchase. Then by deficiency payment: eggs; hogs; sheep, lamb; sheep, wool; honey; soybeans; sunflower seed; sugar beets; wheat—not under the Canadian wheat board. By subsidy payments: milk for cheese—this is statutory, by the way—milk for butter and butterfat content; cream, butterfat content; dried casein and caseinates, and tobacco. The total amount involved was $122,235,000—and that is statutory.

I ask hon. members to consider these items and the amount involved. This is no longer an emergency policy, but subsidies paid year by year on a continuing basis. How can we be honest in saying we are tackling the problems of agriculture in view of the figures I have given, and what is contained in the estimates with regard to the amount paid by way of subsidy. The problem of agriculture is not going to be solved by a subsidy policy; we have to get down to the basic and fundamental problem. If I had unlimited time, which I have not, I would point out what the statutory and estimates payments actually mean, because in agriculture we have a complete conflict in policy. Last year we subsidized butter, at the rate of 12 cents per pound, to the extent of $42 million. That is understandable; I voted for it on the original bill. But at the same time we subsidize soybeans, which are used in the production of margarine. Therefore our subsidy on butter is a persecution of the soybean industry concerned with the production of margarine. We are subsidizing both, and to my mind that is a bunch of damned nonsense.

An hon. Member: How would you do it?

Mr. Winch: I would have a real understanding of agricultural policy in Canada, tying in all agricultural aspects in all phases from the Pacific ocean to the Atlantic. Let us have a national agricultural policy. I think it is nonsense that within Canada we are in conflict agriculturally. We subsidize soybeans and we subsidize the dairy industry in regard to production of a similar product. We have in British Columbia the most marvellous fruit growing area. We grow apples, and they grow apples in Ontario and Nova Scotia. Why do we have this competition? Why do we not have understanding and a Canadian agricultural plan whereby we produce the right things in the places best suited to producing them. In that way we would have unity, efficiency, and the most competitive price possible with which to face the markets of the world.

This basically is my presentation, Mr. Chairman. But you can carry it on. I wonder how many million eggs or how many pounds of powdered eggs we have in Canada now that the taxpayers are paying for by way of support prices. We have so many million pounds of butter that they cannot even hold it in cold storage and have to make butter oil. What can we do with it? We cannot even give it away unless we supply the steamship bottoms in which to send it. In the hungry thirties they burned coffee in the South American states. I should like to know why we are spending millions and millions of dollars for no basic beneficial result. If we tried to give it away, what would be the answer? This government and previous governments have tried to give away some of our surplus produce for which the Canadian taxpayers are paying. What happened immediately this government or previous governments tried to do this? It was said, "You are interfering with our normal market". So you're damned if you do, and you're damned if you don't.

Surely, sir, it is time we got down to some serious thinking, some serious planning. If I may be a bit crude, it is not going to take

just straight courage; it is going to take a lot of political, governmental and agricultural guts to face up to this problem. It is going to mean governmental control so that uneconomic farms are not established or the operators are moved into economic areas, and so that we do not pay subsidies and deficiency payments only to destroy food. Surely to God we do not have to destroy or waste our butter, powdered milk or canned pork when hundreds of millions of people in the world are starving today. Surely we have got enough sense—

Mr. Greene: Will the hon. member permit a question?

Mr. Winch: In one moment, please. Surely we have enough sense, or should have as members of parliament, as farmers and as citizens of Canada to try to work out a logical solution to our problems in order to obtain the greatest efficiency so that we can compete in world markets and so that if we have surpluses we will not waste them but use them to feed the hungry people of the world.

I am not necessarily recommending a royal commission. Sometimes I think that royal commissions are a form of escapism for governments. If you have a problem, appoint a royal commission. It will take two, three or four years to complete its work and you will be safe. It will take a year to consider its report and you will be safe. It will take another year to move on one or two or three or four recommendations. Royal commissions are a method of escape. I know the problem cannot be solved in a month or even in a year or two years. But I say to members of the house on this first item of the estimates of the Department of Agriculture that a permanent system of subsidies is no answer to the problems of our economy or to the problems of agriculture.

The other place has been having a holiday while we have not. They do not have enough work to do, but I can think of four times when committees of the other place have done a marvellous job of investigation and study. I suggest that consideration might be given to setting up of a committee of the other place or a joint committee of the House of Commons and the Senate. Let that committee be given all the technical assistance and money they need and instruct them to make a study of all the various phases of agriculture in Canada from the Atlantic to the Pacific, and the position of agriculture in relation to the rest of the economy. Let them then make a report to both houses of parliament and the government in office as to how we can find a permanent solution, a national agricultural policy for Canada that will really mean something and will place our agriculturalists, whether they are engaged in mixed farming or are dairy farmers, soybean growers or growers of any other crop, in their proper relationship to the economy of Canada generally. In this way we will be able to guarantee our farmers security and comparability of income with professional people in Canada on a basis of completely efficient operation from production to marketing. In this way Canada would be able to compete in world markets as one of the greatest and finest agricultural countries in the universe.

[Mr. Winch.]

Mr. Greene: Will the hon. member permit a question? I wonder whether he is speaking for the New Democratic party or merely for himself when he advises, as he has, that agricultural subsidies should be done away with.

Mr. Winch: I am sorry, Mr. Chairman, but apparently the hon. member has either not been here or has not listened to what I said in the seven minutes I spoke before one o'clock, and what I have said since. Not once but three times I have stated that in my 11 years as a member of this house I have on every occasion supported subsidies for every aspect of agriculture. I have also said that I support them now. But my point is that subsidies are not the answer to the problems of agriculture in our country. I say that we should get down to real study and planning for a national agricultural policy, so that in the long run we can get away from subsidies for agriculture. Let us plan so that agriculture can take its rightful place in the Canadian economy.

Mr. Greene: Would the hon. member tell the committee how his party would suggest that the farmers be coerced into growing what his all-brainy and all-knowing planners would decide they should grow in a particular region of Canada?

Mr. Douglas: Oh, come, come; you are having a pipe dream.

Mr. Winch: I have been asked a question so I shall answer it. May I tell my hon. friend he may have a different idea of himself but my name is Winch, not Moses. I do not know all the problems; I do not know all the answers. I very rarely speak in this way, but may I say that I had the honour of being elected a member of the legislature of British Columbia for 20 years. I have been here for 11 years and, by God, there are not very many who have had 31 years in parliament undefeated. I put forward the problem as I see it and I make recommendations as to how I think we might tackle the problem.

Nobody in Canada can be coerced as long as we have a parliamentary democracy, because if the electors are not satisfied they can throw you out at the next election. They have not thrown me out yet.

Mr. Greene: Does the hon. member suggest he is the right man to lead his party into the promised land?

Mr. Winch: I am a follower, not a leader.

Mr. Olson: Mr. Chairman, I want to say a word or two about the remarks made by the hon. member for Vancouver East. First, however, I should like to join with the hon. member for Qu'Appelle in expressing my congratulations to the Minister of Agriculture for the change that has taken place in the thinking of the department with respect to research, the end results of money which is spent on exhibitions and so on.

I think that some of the things that the hon. member for Vancouver East has suggested are very worth while. I agree with him when he says that we should have a policy that will allow agriculture in Canada to reach what might be termed the optimum of production, that will allow us to distribute food to the hungry people of the world wherever it is needed, and that we should do away with the conflict or what appears to be conflict in subsidies for the production of certain products. When he calls for a study of the problem I agree with him, but may I also say that it is probably the most perplexing problem in the world and one which is not confined to Canada.

We know, for example, that just a few months ago agricultural policy as it relates to trade between nations, particularly in Europe, almost caused the European economic community to dissolve. So the problem of distributing agricultural products and foodstuffs is a very large one and it has created far greater ramifications in other parts of the world than it has in Canada.

I should like also to remind him, and I do not do this to take anything away from the objectives he outlined, that the government of the United States has spent several billions of dollars over the last two years to support the price of farm products. After large quantities of food products were in a surplus supply position, the United States tried many ways of distributing it throughout the world. They tried selling it at reduced prices. They tried long term credits. They even came to the position where they sold large quantities of it and took what was called soft currencies in return, but left those currencies in the countries in which the food was sold for development purposes. I am not sure of the reason for this, but it does not seem to me the United States has made a large number of friends by following this kind of policy. There may be other implications. I mention these things only to point out this is a very complex problems. While we may agree with the objectives, I am sure there is going to be a lot of disagreement on how to reach those objectives.

Mr. Douglas: We have not had any suggestions from the minister on how to reach them.

Mr. Olson: I agree. I was going to say that I congratulate the minister upon some of the things he said with regard to some changes he proposed in connection with research exhibitions and so on. However, I was a little disappointed in the lack of some evidence of new policy with regard to what he was going to do about the depressed condition of agriculture in eastern Canada, and what he was going to do about moving some of the surpluses we have of butter, eggs and a few other things.

There is one very important change, Mr. Chairman, in what the Minister of Agriculture had to say today, and that is the attitude of the Liberal party toward the percentage of the national income farmers receive. I was very pleased indeed to hear the minister say that the Department of Agriculture now only takes about 3 per cent of the total national budget, and this was a very small amount indeed when compared to the contribution agriculture makes to the economy and to the well being of Canadians. I was pleased also to hear him say that there is a false impression in the minds of many Canadians that farmers are getting more than their fair share of the national income and of the federal government's budget. I suggest that if he has made this change in his own thinking, he should inform some of his colleagues, particularly those from the urban areas of Ontario, that this is now government policy.

During the last two election campaigns at least, these people did go about the province of Ontario telling the electors that when a new Liberal government came to power they would see the farmers did not get too much from the federal government. I think the minister should tell the Prime Minister that this is the policy. I recall very vividly not long ago that in a speech in Ontario the Prime Minister said one of the things his government would do would be to see that the $200 acreage bonus was no longer paid. I am not going to argue the merits or demerits of that bonus, but I do say that the statement probably was made for the political impact it

would have, and that impact was to alienate some of the urban electors from the government of the day. I am sure it had that effect because the results of the election in 1962 clearly indicated there was a disenchantment with the previous government and perhaps a large portion of it was the result of the charge that the Conservative government was paying far too much attention to the rural areas.

I agree with what the Minister of Agriculture said today, because 3 per cent of the national budget is a very small amount for the farmers to receive when one thinks of the contribution the farmers make in producing foodstuffs for the country. As the minister has said, we do have a very high standard of living. I should like to point out also that it is true there were some cash payments out of the national budget during those years from 1957 or 1958 to 1962. I do not want to go over a lot of history, but I say that from 1946 until 1953 or 1954, the farmers producing grain in the western provinces certainly had a lot of consideration coming to them from the people of Canada for having accepted substantially less for their products than those products were selling on the world market. This is an old story that has been told many times, but it is still valid today.

To get back to this matter of research, I may say I am pleased the minister is now going to put more emphasis on the utility and practical value that can come from the research stations across Canada. I know he has appointed an advisory committee to sit in at meetings with the officials of the Manyberries range station. I agree that this is a good idea. I should like to offer some suggestions to him and to this committee because the Manyberries range station happens to be in my constituency. I know this station has, in fact, developed many new methods for range management using some new varieties of seed, and that is very beneficial to all areas of the prairie provinces. One of the problems is that there has been a tendency on the part of farmers and ranchers not to make use of this information and actually apply it to their own operation.

I have a number of reports here from the Manyberries range station. This station has proven conclusively that the use of tame grasses such as crested wheatgrass, wild Russian ryegrass and Rambler alfalfa, in conjunction with native grasses actually increases productivity of the land. For example, I have in front of me a publication that was printed at the Manyberries range station in the summer of 1962, which contains a table indicating the total digestive nutrients in three different types of fodder. In so far as native grass is concerned the table shows the amount consumed contained 69 pounds of total digestible nutrients per acre; the crested wheatgrass contained 144 pounds of total disgestible nutrients, and the Russian wild rye contained 150 pounds of total digestible nutrients per acre. These grasses were grown in exactly the same area, with the same amount of rainfall and with the same fertility so far as the soil is concerned.

In addition to that, Dr. R. W. Lodge, who conducted a number of experiments, states that as a result of seven years of grazing trials they have shown that complementary grazing—a combination of native and tame pastures—will increase annual beef production by at least 50 per cent. They found that 1½ acres of crested wheatgrass, plus eight acres of native grass, carried a yearling for five months of grazing. Where native grass was used alone, it took 16 acres to carry a yearling steer. The complementary grazing produced 35 pounds of beef per acre, as compared to only 20 pounds per acre where only native grass was used.

I wish to point out that the research station at Manyberries has already found out how to double the carrying capacity and how to increase, from 20 pounds to 35 pounds, the production of beef per acre. But unfortunately, in the areas where farmers could make use of this advice, they are not doing that. I suggest that some kind of program be undertaken to make the farmers aware of the results of this test. There is no greater incentive for a farmer to change his method than to let him realize it is profitable to do so.

We have to face some pretty disturbing developments respecting the production of beef in other parts of the world. For example, the United States had had to try to enter into import agreements with Australia, New Zealand and Ireland because these countries have a far lower cost of production per pound of beef and their competition with the United States producer is becoming very severe.

Just a few months ago quite a number of cattlemen in western Canada attended a meeting in Memphis, Tennessee, sponsored by the beef growing organizations in the United States. Many of the, shall I say, cow and calf operators who raised beef on the open range, thought they were pretty efficient producers and could compete with anybody anywhere in the world. But the United States organizations had sent a team to Australia to see what they were doing there, and even the most efficient of the producers on the North American continent became concerned

with the reports that came back. For example, on an actuarial cost calculation it is possible for Australian producers to raise a steer from the time it is born until it is two years old, for $6.80. No one in Canada or the United States can come anywhere near that cost factor.

The Australian steer may not be of the same quality and as big as the Canadian steer, but with modern transportation it is possible for the Australians to send their beef to the North American continent and sell it here for less than half the cost of home production of North American beef.

We know a great deal about how to increase the efficiency of our beef production, but there has been a missing link in getting the farmers to adopt the new procedures and new methods which have been tested and proven satisfactory. I do not want to labour this point any more, except to say that along with the new facilities for research something should be done to encourage ranchers and farmers to make use of the knowledge that has been discovered.

The minister mentioned exhibitions and the change which would be made in government grants for agricultural exhibitions. I agree with him that there should be more emphasis on utility than has been the case in the past. In so far as the prize winners in beef classes are concerned, I suppose the prettiest animal gets the prize, but that does not necessarily mean it is the most efficient, in terms of the feed conversion factor. However, I would suggest that the minister move rather slowly in making changes because we have a long tradition respecting the kind of classes that are judged in these shows, and the people who breed and prepare animals for them will not be able suddenly to change over to a whole new classification.

For this reason I am glad the minister is starting out with a pilot project for Hereford beef cattle, and perhaps by next year something can be done with respect to hogs and sheep.

I did not quite follow the remarks of the minister when he talked about trying to tie research and exhibition policies together. I hope that some time during this debate he will be able to give more explanation of that. Of course I understand that the prizes which will be offered in exhibitions will have the purpose of enhancing and upgrading the practical value of animals developed in Canada, but I did not quite follow his remarks as to how this was to be related to research. I was very interested in his comments that there would be only two classes of bulls, four classes of females, and a completely new concept in the classification of the factors that will determine the winners in the steer classes. I shall not go into the detail of these now, but there is a great deal of merit in what the minister said.

With respect to grain, whether it be wheat, oats, barley or any other type, I am pleased the minister will insist that a large quantity of grain be produced to back up the sample that is actually shown to the judges. In many cases the prizes have been given to those persons who have carefully gone through a large amount of grain and picked a select sample from it. If exhibitors were required to show a reasonable, commercial amount of grain to back up their samples, it would be impossible for them to get away with their previous practices, where probably only 5 per cent or 10 per cent of the grower's grain actually looked the same as the samples presented to the judges. Surely, it is only reasonable to expect that what the judges inspect should be representative.

I am glad the minister is supporting and intends to participate in the conference to be held in Montreal later this month to reclassify hogs and try to improve their food conversion rate along with their "cutability"—I think that was the word he used.

There is another point I wish to raise. It was brought up by the hon. member for Qu'Appelle and is a very valid point when we are considering agriculture. It is that, perhaps even more important than production, is the question of distribution and marketing. I have long contended that in western Canada, where I know the agricultural establishment best, if at any time there is a guaranteed substantial market for any particular product, whether it be beef, or wheat or barley or anything else, at a price level which will enable the producers to make some money, the farmers, who are very resourceful, will be able to supply the product. We know that in the past three years there has been a substantial and expanding market for wheat. It is true there have been better than average crops and that the good harvests may to a large extent have been due to favourable weather; but at the same time I can assure the minister that if there is a continuing market on the long term basis over say, five years or ten years, the farmers of western Canada could increase the output of wheat still further. Last year it was 720 million bushels. They could easily produce a billion bushels or even more as long as they could sell it at a profit. I believe this is also true of beef.

Not very long ago the present minister and, indeed, the former minister of agriculture were advocating that people should devote part of their operation to the production of beef. I was concerned at the time that if this movement went too far there would be surpluses and the price of beef would fall, resulting in an unfortunate position for the one commodity which has been helping to maintain the stability of our agricultural economy. That has not happened yet, but there has certainly been a lowering of the price of beef and it is to some extent due to the fact that more and more people are getting into beef production after being encouraged to do so by the minister and by his predecessor in office. So, as I have said, this question of distribution is one of great importance.

Something should be said about the problem of farmers in eastern Canada. As far as we in this party are concerned, we are prepared to support some kind of program which would improve the position of these farmers. We should like to hear some statement on dairy policies. We think this new approach to hog classification and selection is a good move. We have stated on several occasions that we support a policy of getting feed grain into eastern Canada at least at a stabilized price—whether it is higher or lower is something else. But at least these farmers and feeders in eastern Canada should know from one month to the next how much they will have to pay for their feed.

It is easy to say that there are too many farms in eastern Canada which are too small to be efficient, but I know there is an attachment to the land and to the family home which has been built up there over the generations. This is also true of western Canada, but not to the same extent. While understanding this we must face the fact that our farms are becoming larger and that larger farms are more efficient. Perhaps some kind of program could be undertaken to encourage an increase in the acreage of farms in eastern Canada in order to improve the efficiency of their operation. I was pleased to note a few days ago a release from the department informing us that 44 new soil and water conservation projects had been approved for Quebec under the ARDA program. That release was dated April 15. We support this, but we believe the minister should be moving a little faster in some of the other areas. I know that the minister of agriculture for the province of Alberta said only a few days ago that the federal government had acted a little less than fast in approving some of the cost-sharing programs under ARDA. I do not know why the government has, apparently, not moved as rapidly as the provinces are ready to move. It may be that the federal government has not worked out all the details as to what they intend to include in the projects they would be prepared to approve. In any event, I think the government is moving far too slowly in this matter, though some progress is being made.

In my own constituency there is one project which, I believe, has already been submitted to the federal Department of Agriculture. I suppose, now, it is in the hands of the Department of Forestry. It concerns the establishment of ground water reserves in the southern part of the prairie. We have just gone through a winter during which very little snow has fallen. Consequently there has been very little run-off and the surplus water available for stock watering purposes particularly is at a very low level. I know that the local ARDA committee did recommend that a fairly large program be undertaken to delineate the ground water resources in order that wells could be drilled and stock water brought to the surface.

The Chairman: I am sorry to interrupt the hon. member but his time has expired.

Mr. Olson: I still have half a minute left—

The Chairman: Does the committee give unanimous consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Olson: I must urge the minister to do what he can to get this project approved at once and to reintroduce the program which will allow some assistance through P.F.R.A. in respect to the drilling of water wells for stock watering purposes.

[*Translation*]

Mr. Gauthier: Mr. Chairman, allow me first of all to congratulate the Minister of Agriculture (Mr. Hays) for the rather interesting statement he made a while ago.

It is gratifying for us to see him so often in the house because it is always pleasant to see that a minister is interested in our work and discussions. I must say that we did deplore the frequent absences of the minister from the house.

But I am still wondering which personage I should admire in our Minister of Agriculture: the minister or the businessman? This afternoon, I am convinced that the Minister of Agriculture is an outstanding businessman. He is also very good at stock farming, especially at beef cattle breeding.

Therefore, his speech was very good as far as his knowledge is concerned, but not quite so good as far as his responsibilities as minister are concerned.

As a matter of fact, Mr. Chairman, we were expecting this afternoon to be presented with a general statement on the Liberal party farm policy for the whole of Canada. We, from the province of Quebec, expected something to raise our hopes for some improvement in the status of our agriculture which is now at its lowest level. In fact, if we consider statistics for the last 20 years, we find that, as far as farming is concerned, the western provinces have continually bettered their position while the province of Quebec saw its situation deteriorating more and more, to the point that nowadays, it is on the verge of bankruptcy.

I made those few observations to draw the minister's attention on the real problems facing the province of Quebec. Far be it from me to criticize without rhyme or reason. I simply wish to draw the minister's attention to that situation and tell him that people in my riding and farmers all across the province of Quebec are expecting some action from the federal government. I think that if this government does not take positive steps in 1964, the loss suffered by agriculture in the province of Quebec could not be repaired.

As I said, we were very disappointed this afternoon to hear about cattle trade, beef breeding, international exhibitions and fairs, and finally wheat, and that last point did not surprise us too much. Since I have been in this house, every time agriculture is discussed, in 95 per cent of cases, the discussion has to do with wheat: will farmers be able to sow it, is there going to be enough rain, will they be able to harvest wheat, and finally will it be possible to sell it? All the efforts of the minister are for the wheat business and the products of the other provinces are not discussed in this house.

I would ask the minister—if he has found markets for our cattle as the Minister of Trade and Commerce found some for our wheat, well and good—to devote some of his efforts to try and find markets for the dairy products of the province of Quebec. And let them stop telling us, when we have production surpluses in some fields: cease production, you have too much produce.

If we were going to say that for wheat, Mr. Chairman, what would happen to Canada?

No, we never have too much wheat; we must always have more. The ministers concerned have the responsibility of finding markets for that product. In the province of Quebec we have too much milk and we are told: stop production. We have too much cheese and we are told: throw it away. We have too many eggs, and we are told: let them go bad. Such are the answers we are given. It is necessary—

Mr. Asselin: Who says that?

Mr. Choquette: Who said that?

Mr. Gauthier: I am not talking about the present government, but of what I have been hearing for 50 years.

What strikes me—and you are well aware of the fact—is that we have not had a single minister of agriculture from eastern Canada in the last 50 years. In all fairness we should at least be given one from the east from time to time. You people from the west have had them all for the last 50 years, while we did not even have one. We are asking for a minister from the east, and we are a bit disappointed at not getting one.

The minister does not seem to realize what serious problems eastern farmers are up against, and especially those in Quebec. He acts as if only western Canada existed and he is quite shocked when he is asked, and I am quoting him: "What do you do with the money we send you in the west?"

That is what the minister said this afternoon. In my opinion, that question, which he put to the house, is the most interesting part of his speech.

I admit that if western Canada is very prosperous today it is due to the joint programs. But it must be remembered that all those joint programs are paid for by taxes on a *pro rata* basis according to the population of each province. Forty years ago the country's two largest provinces, that is Quebec and Ontario, agreed to take part in these programs to help economically weak provinces. They were happy to do it, sure that their sacrifices would benefit them later.

Today, things are different; the poorer provinces have become prosperous, at least they have means of subsistence. Therefore, it is no longer urgent to assist them. That is why we maintain that a number of joint programs should be done away with. Besides, that was a promise made by the Liberal party.

I should like to call every hon. member's attention on this matter of joint programs in order to readjust this assistance according to present needs. To prove my point, I would ask the minister to look at the latest

publication about federal-provincial conditional grants under joint programs. I received this publication recently and I was greatly interested in it. I urge all those interested in agriculture, as well as all those interested in joint programs in general, to read it. You will see that, very often, the claims of the province of Quebec are well founded if you study calmly the distribution of those joint programs. Just to mention a few lines, I will simply take the Department of Agriculture, at page 11, the part dealing with manpower: joint program on manpower.

In 1961-62, total benefits for the province of Quebec were $21,000.

This is what agricultural joint programs yielded under the agreements; Prince Edward Island, $21,000; Nova Scotia, $130,000; New Brunswick, $61,659; Quebec, $287,560; Ontario, $1,213,982; Manitoba, $290,697; Alberta, $837,442; and British Columbia, $390,899.

If you take into account the population figures for each province or if you figure those grants on a *pro rata* basis, you will see that they are not advantageous for Quebec.

Another joint program concerns the federal government contribution toward the transportation cost of cattle to the Royal Winter Fair, and the Minister of Agriculture is familiar with that. In that field, the federal government reimburses 75 per cent of the cost borne by the provinces; there again, western Canada gets the highest grants.

Grants are somewhat to the advantage of Quebec in one field and that is in the assistance provided in the case of agricultural lime.

I am quoting those figures in order to kill two birds with one stone; I want to prove that compared to the other provinces, Quebec needs more assistance in this regard. Federal grants are distributed as follows: Newfoundland, $18,313; Prince Edward Island, $71,457; Nova Scotia, $115,526; New Brunswick, $106,487; Quebec, $2,236,648; Ontario, $436,536; British Columbia, $74,500.

This clearly shows the poor quality of Quebec farms. As a matter of fact, there are no payments for the western provinces which have been built up, so to speak, thanks to these joint programs. If I quote these figures, it is simply to prove that there should not be any joint programs for provinces that do not need them in the least, now.

During 1961-62, the federal government paid a subsidy of $217,040 to the province of Manitoba for damming and drainage works in the Riding and Duck Mountain basin.

[Mr. Gauthier.]

As far as Saskatchewan is concerned, the federal government spent there until March 31, 1961, the sum of $2,208,853 for the development of the Pasquia area along the Saskatchewan river.

Mr. Chairman, it should be noted that those are all joint programs for the sole benefit of the western provinces; Quebec gets nothing.

In the same province again, and until March 31, 1962, the federal government spent $30,165,796 for irrigation and power works with respect to the South Saskatchewan river.

Now to revert to the maritime provinces, it was found that the federal government spent a total amount of $311,305 under the Maritime Marshland Rehabilitation Act.

Still in the field of joint programs, we come now to ARDA. In my opinion, it is the plan which might have been of the greatest benefit to the province of Quebec. As a matter of fact, it has finally been realized that the few possibilities we had were not used. Last year, an amount of $111,000 was spent, and, this year, about $1,500,000 will be spent for land drainage alone.

In answer to the question I asked last year, I was told that the western provinces had received $179,000. At last we are going to receive this year an amount of $1 million under joint programs.

Mr. Chairman, I do not want to criticize the western provinces, but I merely want to set the record straight, so that the value of ARDA might be judged.

Recently, the Department of Forestry issued a release in which one could read:

"Four different programs under the Agricultural Rehabilitation and Development Act (ARDA) provide for the extension and development of pastures along the forest line in northern Saskatchewan", says a joint announcement by federal Minister of Forestry Maurice Sauve, and Saskatchewan Minister of Agriculture I. C. Nollet. A fifth project which has been approved for the province of Saskatchewan provides for the continuation of a drainage and flood control program.

Those, Mr. Chairman, are the advantages which have been granted to the western provinces.

Quebec might have more particularly last year, benefited from ARDA to a greater extent if the farmers had been offered greater advantages with regard to agriculture.

But what did actually happen? To get the right picture we only need to look up the list or the number of farm credit counsellors who advise the farmers in each area. Those advisors on farm credit might have made us benefit to a greater extent from ARDA, in connection with our land.

And how are the farm counsellors distributed? In British Columbia there are six, in

Alberta 32, in Saskatchewan 36, in Manitoba 12, in Ontario 35, and only four in Quebec. The same situation prevails in almost every field. But, even considering only the agricultural sector, I think that I have quoted enough figures to indicate to this government that if it does not wake up and straighten out things soon, it is useless for the taxpayers of Quebec to pay taxes, just to starve on their land.

The federal government paid $58,856 to the western provinces in premiums for pedigreed breeding stock.

The federal government even subsidizes sow breeding contests. It is true that the subsidy is not very high but New Brunswick and Manitoba did receive $1,705.

In 1961-62, the federal government spent $203,269, that is $140,745 in Manitoba, $37,864 in Saskatchewan and $24,600 in British Columbia, to encourage the construction of storage facilities for potatoes. On the other hand, Quebec did not get a cent. However, at last a little money is going to be spent there in 1964.

As far as crop insurance is concerned, I do not remember exactly the statistics, since I asked for such data last year. As Quebec is not participating in this scheme it did not receive anything, but the Quebec taxpayers pay federal taxes just the same.

For the fiscal year 1961-62, the federal government spent the sum of $193,932 for crop insurance in Manitoba.

As for the drilling of community wells under the Agricultural Rehabilitation and Development Act, the federal government pays 35 per cent of the cost.

Considering the grants paid as indemnity for losses caused by disease, it is found that during 1961-62, the federal government paid $12,814, but that Quebec did not receive a cent.

Now let us speak about the Agricultural Rehabilitation and Development Act.

Up to March 31, 1962, the federal government paid $23,550,036 for the St. Mary river irrigation project. As for the Bow river project, the federal government spent $30,577,-445, of which $2,400,000 was to purchase the assets of the company that had undertook this project.

The eastern irrigation district, that is the former Brooks district, in Alberta, received a federal contribution of $35,793 in 1959-60 and of $83,449 in 1960-61.

Let us take a closer look at the situation with regard to the feed grain transportation assistance. In 1958-59, Saskatchewan and Alberta received $183,623 and $46,976 in 1959-60, for a grand total of $230,599, while the province of Quebec got nothing at all.

Now, let us consider another project. In 1959-60 and 1960-61, in view of the poor harvesting conditions which prevailed in the prairie provinces, the federal government spent $316,972.

On June 27, 1961, in view of the extreme drought of that year, the federal government offered the prairie provinces to pay half the amounts they had spent and then disbursed the sum of $1,091,604.

Let us consider now the matter of transportation of seed grain in Manitoba and Saskatchewan. The government agreed to pay back 75 per cent of the freight charges.

Under the heading of emergency assistance with regard to unharvested crops, we learn that the provinces of Saskatchewan, Alberta and Manitoba received a total amount of $6,182,452. And so forth, Mr. Chairman.

We could give enough proof to put an end to the contention that we, Quebeckers, are always criticizing or speaking without rhyme or reason. We do not speak without rhyme or reason; we make claims in order to balance the position of the province of Quebec with regard to that of other provinces. In my opinion, this can only be done by establishing a department of agriculture for the east, and this is what I want to deal with.

The project of establishing a department of agriculture for the east has been given up, but I believe that we should reconsider it. I then ask the Minister of Agriculture to examine this question because it is the only way we can solve the agricultural problem in the east.

We need a department that will try to improve agricultural conditions so that our farmers may know a certain degree of prosperity after giving so much in taxes over the last 35 years to the western provinces. Now that their agriculture is well organized, we should get the opportunity to reorganize ours.

Right now we are a little like the father who has given too much to his children. We gave too much and we are still giving a lot to the western provinces in taxes of all kinds. That is why we ask you, with regard to joint programs, to give us back our taxing powers, so that we may give a new lease on life to our agriculture, after contributing to the development of agriculture throughout Canada and giving it that impetus about which we boast everywhere.

Let us give Quebec farmers a chance to rebuild their economy and regain the control of their own business. That is why it is urgent to give them competent men and especially financial means. Let us put an end to the programs which benefit Quebec only

in a proportion of 32 per cent whereas our province's share of taxes is paid on the basis of its population.

That is why I advocate the repeal of such taxes. If the Minister of Agriculture, being the businessman he is, took the trouble of treating eastern farmers not as farmers but as businessmen, if he prefers, I am sure he would be aware of the pitiful condition of agriculture in our part of the country. If he is sincere and responsible, he will strive to make Canada a place where it is good to live because for the past 30 years we from Quebec have done our share to make this country the bread basket of the world as far as wheat is concerned.

Let us have the opportunity to recover the little that is left to us, to rebuild our strength and to take our place among the other provinces so that Quebec may once again be for Canada the asset it was 30 or 35 years ago.

[*Text*]

The Acting Chairman (Mr. Francis): The hon. member for Richmond-Wolfe.

Mr. Asselin (Richmond-Wolfe): Not now, Mr. Chairman.

The Acting Chairman (Mr. Francis): The hon. member for Burnaby-Coquitlam.

Mr. Douglas: Mr. Chairman, I had not intended to intervene in the debate at this point but I am prompted to do so by some of the interruptions that have been made by members opposite. I noticed that when the hon. member for Qu'Appelle was speaking and when the hon. member for Vancouver East was speaking members across the way kept interrupting and saying, "What would you do"? It seems to me somebody ought to tell the government members that a year ago the people of Canada elected them to office on their promise that they knew what to do about agricultural problems. They went about the length and breadth of this country telling people in the rural constituencies particularly what they were going to do about farm credit, what they going to do about crop insurance, what they were going to do about national marketing boards, what they were going to do about the price of farm machinery and other farm costs, and now we deserve something better than to have from government members the question, "What would you do"? It seems to me that we are entitled—

Mr. Byrne: On a point of order, Mr. Chairman—

Mr. Douglas: —to an answer from them as to what they intend to do.

[Mr. Gauthier.]

Mr. Byrne: —I am sure the hon. member would not want to misinterpret what was said. I was in the house when some of these interruptions were made and they were not "what would you do" but "what did you do"? That was the question that was asked.

Mr. Douglas: Mr. Chairman, the hon. member was not here most of the time.

Mr. Vincent: Mr. Chairman, on a point of clarification, is it Liberal time which has been given to the N.D.P. now?

The Acting Chairman (Mr. Francis): I recognized the hon. member for Richmond-Wolfe and he indicated he was passing at that point, so I recognized the hon. member for Burnaby-Coquitlam.

Mr. Vincent: Is the time being taken from the time of the Liberal party?

The Acting Chairman (Mr. Francis): The Chair recognized the only member who was on his feet at that point.

Mr. Vincent: On a question of privilege, Mr. Chairman, a few minutes ago I went to the Chair and asked if I would be next and was told I would be. I was told that a Liberal member would be the next speaker and that I would have the floor after him.

The Acting Chairman (Mr. Francis): Unfortunately I had to recognize the hon. member who was on his feet at that time. I believe that is the practice of the house.

Mr. Douglas: I was saying to the committee that I think the government has a responsibility to tell us what they propose to do, not ask what the opposition proposes to do. As far as the hon. member for Kootenay East is concerned, he was not in the house when the hon. member for Vancouver East was speaking.

Mr. Byrne: On a question of privilege, Mr. Chairman—

Mr. Douglas: There is no member of the house who pops up more often to talk about things he does not know anything about than the hon. member for Kootenay East.

The Acting Chairman (Mr. Francis): I ask the hon. member to sit down. The hon. member for Burnaby-Coquitlam has the floor.

Mr. Byrne: On a question of privilege, Mr. Chairman, the hon. member said I was not in the house. I can tell the hon. member and you, Mr. Chairman, that I was in the house and left the house only a few moments ago to return almost immediately.

Mr. Douglas: If the hon. member had let me finish he would have heard me say that he was not in the house when the hon. member for Vaucouver East was interrupted by a member who wanted to know what he would do. He could not have been asking, "What did you do" because the hon. member for Vancouver East was never the head of a government nor the member of a government.

Mr. Byrne: Mr. Chairman—

The Acting Chairman (Mr. Francis): The hon. member for Burnaby-Coquitlam has the floor.

Mr. Byrne: —the member for Kootenay East was in the house all the time while the hon. member for Vancouver East was speaking.

The Acting Chairman (Mr. Francis): Order. The hon. member for Burnaby-Coquitlam has the floor and other members will have an opportunity to speak in the course of the debate.

Mr. Douglas: If the hon. member for Kootenay East was in the house that proves my point, that although he was listening he did not understand anything of what was going on. This is characteristic of most of his conduct in the house. He seldom understands what anybody else is saying and most of the time nobody understands what he is trying to say.

An hon. Member: Raise another question of privilege.

Mr. Byrne: That is a matter of opinion.

Mr. Douglas: Before I was unnecessarily interrupted I was about to say that I would have expected the Minister of Agriculture, in opening the debate on his estimates, to tell the committee, and through the committee the farmers of Canada, what he intends to do to meet some of their most pressing problems, particularly what he intends to do to implement some of the pledges which the government made to the farmers of Canada last year in the election campaign. The minister made a very excellent speech, if it were being delivered to a fair board, on how to raise better livestock, how to improve certain varieties of grain and how to get better production on certain kinds of soil, all of which is very useful, and I compliment him on his knowledge in these fields. But the minister has not told the committee or the farmers what he proposes to do about their most pressing problem, the problem of farm income. If the farmers could get a price that is commensurate with their costs of production, the minister would not have any trouble about getting farmers to co-operate in producing a better class of livestock, in experimenting with new varieties of grain, new types of fertilizer and increasing their production. The farmers of the prairie provinces have proven that. As soon as the wheat board was able to sell wheat, the farmers soon demonstrated they could grow wheat. As soon as this government demonstrates they can help the farmer rectify his income problem, there will be no problem about getting farmers to increase their production. I say the central problem facing farmers in all parts of Canada today is the problem of farm income.

The dominion bureau of statistics figures show that real income per farm in 1951 was $2,641; in 1952, it was $2,656. From then on, it was below that and considerably below that. In 1954, it went down to $1,890 and only exceeded the 1952 figures in 1961 when it rose to $2,755. In 1962 it was $3,144, which is an all time high. This was the cash income per farm. The dominion bureau of statistics shows that when these figures are adjusted into constant 1951 dollars, the farm income in 1951 was $2,641 and stayed below that, every year until 1962 when it was $2,487. In other words, we have never since 1951 reached, in constant dollars, the per farm income of 1951, namely, $2,641. In terms of what a dollar will buy, farm income is lower now than it was in 1951. The last figures which were published for 1963 show that total farm cash income is up by 2.2 per cent, but that the net income for the farmer is only up in two provinces and is down in every other province.

The real measurement of the farmer's prosperity cannot be measured by looking at his income, either his net income or his cash income. At the same time you have to look at what it costs him to produce. If one takes a look at the index commodity figure for the things which the farmers has to buy in order to produce, one finds that in 1951 it was 230 and in 1962 it had climbed to 290. This is a fabulous increase in price of the things the farmer buys. The dominion bureau of statistics shows that the index commodity figure for the things a farmer had to sell in 1951 was 296 and in 1962 it had dropped to 264.

The real problem, therefore, facing agriculture is that while the prices which the farmer receives for the products he produces have gone down, the prices of the things which he must buy in order to produce have gone up at an amazing rate. This is why agriculture faces a serious problem. I say that

before we pass this item the committee should insist that we have some statement from the minister referring to the matters which he outlined to us last year. He said the government was going to take some action to reduce the price of farm machinery. I remember asking him some questions last year: What was the government going to do to reduce these prices; was there going to be an investigation by an agriculture committee of the house; what steps had the government in mind to bring prices down because agricultural implements constitute for farmers, the most important item in their cost of production?

This is not only true of farm implements, it is equally true of other things which the farmer must buy, such as his pesticides and fertilizers. A great many of the commodities which the farmer buys have gone up in price, while the price he receives for his products in constant dollars has gone down. The minister, it seems to me, ought to tell the committee what he is going to do about farm costs.

The minister told us also last session that he was going to introduce some legislation to help farmers get credit. As everyone recognizes, agriculture now is highly capitalized and it requires larger amounts of capital for equipment, for land, for buildings, for mechanization and for many of the materials that are necessary for production. This means the average farmer is suffering from the problem of under-capitalization. When the minister talked today about improving stock and improving farming methods, what ought to be kept in mind is that all of this costs money. A farmer cannot improve his production, he cannot improve his farm methods unless he is able to get the necessary capital to carry out such a program.

I think we should have a statement from the minister as to what the government's plans are with reference to farm credit. I believe we should have a statement also with reference to crop insurance. Last year during the election campaign the Liberal party referred often to reinsurance in connection with crop insurance plans. It is undoubtedly true that too large a share of the responsibility has been left with the few provincial governments who have co-operated with the federal government in setting up crop insurance plans. Reinsurance would be a partial solution. Is the minister going to bring in legislation for reinsurance under the crop insurance plan? If he is, I think we should be told about it, or he should put it on the order paper so we could know before these estimates are passed whether the government was merely talking last year during the election or whether it intends to carry out the promises it made.

Most important of all, I think we need to know something about the government's intention with regard to setting up national marketing boards, about which it talked a great deal during the last federal election. One of the very specific promises that was made was uttered by the Prime Minister on March 7, 1963 in the city of Saskatoon when he told the farmers of western Canada that in lieu of acreage payments, which the Liberal party were going to discontinue, it was the intention of the Liberal party if elected to compensate the farmer in two ways: First of all, to institute the two price system for wheat and, second, by guaranteeing to the farmers by means of deficiency payments, $2 per bushel for No. 1 wheat, basis Fort William. We have not had a single word as to whether the government intends to proceed with this very specific commitment made by the Prime Minister, and echoed and re-echoed by the Liberal candidates all over western Canada.

The indications are that the price of wheat is declining. For the last crop year the average price for all grain worked out at about $1.65 a bushel as compared with $1.68 a bushel for the previous crop year. On the basis of the sales to the Soviet union and China, which have been around the market price, it looks as though the average price for No. 1 will not be much better than $1.95 a bushel, basis Fort William. If this is true, then under the Liberal commitment there ought to be at least a deficiency payment of five cents a bushel on No. 1 wheat in this crop year, and whatever adjusted price there would be for the other grades.

Are we going to have this commitment carried out? If the government has decided to repudiate it, surely in all honesty the Minister of Agriculture, the Minister of Trade and Commerce or the Prime Minister ought to tell us that the government was just kidding when it made this promise to the wheat growers of western Canada, that it was just a political platform that is used like a railway platform—you use it to get in on, and then forget about it when you are in. If that is what the government has decided, let them say so honestly, but let us not evade the issue by pretending the promise was never made.

We would like to know something about the national marketing boards for hogs and cattle. The farmers are very perturbed about

fluctuations in cattle and hog prices, and it would do a great deal to help the minister's problem of production if the farmers knew in advance that there was to be a guaranteed price, and that there would be deficiency payments adequate to meet the farmers' cost of production when they produce these commodities.

All I am asking is that the minister do not treat this committee to just a lecture on livestock and crop diversification. Before this first item of the estimates is passed I hope he will use this occasion to tell the farmers what the government intends to do about the basic problems facing agriculture, and to tell this committee what he intends to do about the specific promises he made—whether he intends to carry them out, how he intends to carry them out, and how soon the legislation to implement those commitments will be placed on the order paper.

Mr. Nielsen: In the short time left to me this afternoon I do not intend to discuss the agricultural problems that exist in my riding. I shall wait until I have a little more time to place these problems fully before the minister, but I thought I would bring a little joy into the minister's life this afternoon by raising a particular matter which came to my attention during my travels across the country.

The minister is probably aware of R.C.A.F. station Namao at Edmonton. I travel through Edmonton quite a good deal, and as recently as April 5 and April 6 I had occasion to be at R.C.A.F. station Namao, where I talked with some people and received a good deal of very interesting information.

I have been informed that there was a contract concerning the supply of milk and ice cream to this R.C.A.F. station, and I believe the contractor under the same contract also supplied the same products to the army station Griesbach at Edmonton. This contract ran from October 1963 until March 1964. I see I have the minister's rapt attention, and I know the recollection he must have of this contract.

The contractor was a certain Purity Dairy Company in Edmonton, and a very strange sequence of events transpired recently, which cause some doubt as to the integrity of the department itself, its officials and the minister. My information is that the company was managed by a Mr. Trach, Jacob Trach, and he was called up by the minister's representative in Edmonton and requested to cut this six month contract in half. Naturally, having signed the contract for the supply of these goods to the Namao and Griesbach stations, he was somewhat reluctant because he was in possession of an executed contract between himself and the government, and he felt he should fulfil the full provisions of it. He objected to this and he requested to have a personal discussion—

The Chairman: Order. I hesitate to interrupt the hon. member but there is nothing he has said until now that I can see relates to item 1 of the Department of Agriculture. It may be a fact that the Minister of Agriculture has done something, or has failed to do something else, but that does not necessarily place the matter within the boundaries of the item before us. It has to be something which has to do with the Department of Agriculture itself, and it seems to me that the complaint, which might be a very legitimate one, might come possibly under the items of the Department of National Defence. It may be that the hon. member wants to relate this to the Department of Agriculture, and I would ask him to do so, if he thinks it can be done.

Mr. Nielsen: Well now, sir, I cannot see anything that would be more relevant to item 1 in the discussion of the minister's estimates than a discussion of the minister's actions or of the actions of officials in his department. If the minister's own personal actions are involved, or those of any of his officials, in the matter I am raising, then this would be relevant to the item under discussion. I make that submission with the greatest respect to you, sir.

I want to provide the minister with this information in the short time left, so that he will have the whole week end and all of next week to get all the facts and bring them back to the committee and inform us fully. I of course abide by your decision, Mr. Chairman, but I submit on that basis the discussion is relevant.

The Chairman: I must say with all due respect to the hon. member that the last thing in the world I want to do is try to limit the discussion, but I do feel there is nothing at all in what the hon. member has said until now that relates to the specific item before the committee. As he knows, what we are trying to do all the time is limit the discussion in committee specifically to the item under discussion. This could be the type of thing that might come under grievances, or under another department, but I am afraid I have to rule that the point which has been raised by the hon. member is not relevant to the item now before the committee.

Mr. Nielsen: I do not for a moment question the ruling you have made, sir, but allow me

if you will to submit that under the general item in the estimates, item No. 1, we are being asked to pass certain salaries involving officials of the Department of Agriculture and the minister himself. Now then, if we as members of the committee have any remarks concerning the activities of the officials of his department, or the activities of the minister himself, which activities relate directly to the question of salaries and which activities relate directly to the administration of the department, this I submit with the greatest respect is the time to raise this matter; and if Your Honour will allow me to make one further point—Your Honour has not yet heard my fully developed argument in this respect and I would, with great respect, suggest that you permit me to develop it before you come to any firm conclusion—

The Chairman: As I have already said twice, nothing which the hon. member has said until now brings this particular point within the framework of the item. If the hon. member wishes to show me and the other members of the committee that this is really a matter which comes under the item before us I would certainly be prepared to hear him.

Mr. Nielsen: I am sure Your Honour will realize the relevancy as I go along. The information I have leads me to believe, in the absence of a satisfactory explanation, that the minister has personally interfered with the full term of a contract for the supply of milk and ice cream to an R.C.A.F. station—

Mr. Hays: I know absolutely nothing of what the hon. member is insinuating. I will be glad to look into it, but as far as I am concerned I can categorically deny any of these insinuations he has made.

Mr. Nielsen: I have simply made the suggestion that the minister has interfered in the present contract. I am sure that because of the hon. gentleman's interest he will want to have the details of the information in my possession so as to allow him to make a complete investigation of the circumstances I am about to place before him. An official of the department in Edmonton, one Mr. McKay, had a personal discussion with the sales manager of the Purity Dairy Company, Mr. Trach, according to my information, and out of that discussion came the suggestion on the part of his official that the six months contract be cut in half. The civil servant involved, Mr. McKay, inferred, or said, he was acting under the direction of the minister, or under the direction of officials in Ottawa. He went even further—

[Mr. Nielsen.]

Mr. Francis: Is it in order to bring such accusations against civil servants in the course of debate, when they cannot reply to this kind of irresponsible charge?

Mr. Nielsen: The minister represents them here. I am making no direct accusation against any civil servant. I am saying that when information such as this comes to my attention it should be investigated and the minister has a responsibility for investigating this type of situation because it concerns his department.

Mr. Deachman: Is it not the proper procedure, when a matter of this kind arises, to put it in the form of a question to the minister? Then when a reply is available the matter can be debated. Surely it is pointless, when the minister has no information before him, to put this kind of question.

Mr. Nielsen: That is precisely what I am seeking to do now—to pass on to the minister all the information which is in my possession so that he can make the kind of investigation which will produce the answers, and allow him to come back and make an explanation to this committee. If the information I have is inaccurate, that is fine; I shall be very happy. But I am concerned that it may not be inaccurate.

In the conversations to which I have referred, not only was the suggestion made to Mr. Trach that the contract be halved but he was informed that unless he was tractable in this regard some method would be found to have his product declared below the standard acceptable at the stations. I want to ask the minister this: Did any of his officials in Edmonton make any approach to the manager or other personnel of the Purity Dairy Company to suggest that this contract be cut in half and, if such an approach was made, did any of his officials, either here or in Edmonton, or did he himself, authorize a suggestion to be made to the Purity Dairy Company or any of its employees that the government could in accordance with instructions from Ottawa find something wrong with the milk and ice cream supplied by the company?

Mr. Hays: On a point of order, I think the hon. member is making a lot of insinuations. I know nothing about this. I should like to investigate. As to the smears he has made, let me say we have between 10,000 and 12,000 employees; we have the responsibility for spending in the neighbourhood of $1 million a day on working days. I assure the hon. member we will investigate this matter and

give him a reply. He has not come out with anything definite; he has just been beating about the bush.

Mr. Stewart: No sources.

Mr. Nielsen: I heard an intervention; I could not identify the hon. member who spoke because he did not rise. He said there were no sources. But I am giving the minister the name of the official concerned, according to the best of my information, in Edmonton—Mr. McKay. I hope his investigations will completely exonerate Mr. McKay. I hope they will completely exonerate himself and any of his officials in Ottawa. But I am sure the minister will wish to have full particulars of the information in my possession so as to enable him to make the complete investigation he says he is willing to make and to supply this committee with an explanation when he returns next week to deal further with his estimates.

An hon. Member: Five o'clock.

Progress reported.

Mr. Deputy Speaker: It being five o'clock the house will proceed to the consideration of private members' business as listed on today's order paper, namely public bills.

CANADA FAIR EMPLOYMENT PRACTICES ACT

AMENDMENT TO PROHIBIT DISCRIMINATION BECAUSE OF AGE

The house resumed from Friday, April 3, consideration of the motion of Mr. Mather for the second reading of Bill No. C-28, to amend the Canada Fair Employment Practices Act (age discrimination).

Mr. Marvin Gelber (York South): Mr. Speaker, George Bernard Shaw is reputed to have said that youth is a wonderful thing, but it is too bad it is wasted on young people. The qualities of youth which were so attractive to George Bernard Shaw are qualities which do not apply only to young people. Our conception of age, longevity of life—all these things are changes, and we have to adjust our view to the changing worries and facts of our society. One of the stark realities of life in twentieth century Canada is that for people 65 years and over two chief factors, are poverty and loneliness.

We are dealing today, Mr. Speaker, with a bill to assist the absorption of older people into the labour market. I think we should look at the composition of the population of Canada today. Half of the Canadian population is under 25 years of age; 7.8 per cent or 7.9 per cent are over 65 years of age. One half of the population supports the other half. An analysis of the trends in population reveals that by 1971 the percentage of persons in the 30 to 40 age group will have shrunk.

The essential needs of old people are not any different from those of any other age group, except in degree. As of March 31, 1963, the percentage of recipients of old age assistance to the population in the 65 to 69 years of age group ranged from 13.12 per cent in a relatively prosperous province like Ontario to 52.93 per cent in Newfoundland. That is from roughly one in eight to better than one in two of that age group. A very considerable number of the aged live in inadequate housing, are ill-fed, insufficiently cared for medically, and deprived of opportunities for normal social intercourse and recreation. The problem of absorbing older people in the employment stream is a reflection of the general level of employment in Canada. When there are enough jobs to go around, then the problem of the aged is less acute. Therefore, Mr. Speaker, the entire problem of older people must be viewed in terms of the rate of economic growth of our country.

There are a number of illusions about older workers. I believe that this bill is a palliative but that the illusions are much more serious and are matters with which we must deal if we really want to tackle this problem. About 33 per cent of the unemployed persons in Canada at any given time are over 40 years of age. Many experience long periods of unemployment. Many older persons are refused interviews for jobs because company policy restricts hiring of personnel over the age of 35 or even as low as 30. In a study made of 950 classified advertisements in a group of newspapers, it was found that 490 or more than 51 per cent stated age restrictions. Only 18 of those advertising were willing to accept applicants up to 50 years of age.

Now, Mr. Speaker, what are some of these illusions about older workers? One of them is that among older people you have a higher frequency of illness and therefore greater absenteeism. Another illusion is that physical deterioration is synonymous with age and therefore older people are more accident prone. Another illusion is that age has a direct bearing on insurance rates, and therefore the costs of pension plans mount successively with each new participant over 40 years of age. It is said—and this is a very serious matter—that as people grow older their ability to learn decreases, and it is therefore more difficult to train older people in new industrial methods and techniques. There is a myth that a

man over 40 is not as productive as he was at 20. The myth of the older worker has no firm basis in truth. Chronological age is not a sound foundation on which to build hiring policies. It gives no indication of a man's ability or his skills and knowledge, the important elements to be considered when people are hired.

A study was undertaken by the economics and research branch of the Department of Labour covering 1,018 employees in two large department stores in two Canadian cities, and this study was the first of its kind in the field. It was found, Mr. Speaker, that those qualities which make for good salesmanship are not exclusively the property of any age group. Flexibility, adaptability and other traits which make a person a preferred employee and which bring a profit to a firm exist in all age groups. Further, the report showed that sales performance improves somewhere between the ages of 51 and 55 and declines slowly in the ensuing years. The record of performance of people past 40 is as good as that of other employees, if not better. The sales clerk employed after age 40 attained a higher performance rating within a shorter period of service than a younger employee. Workers hired after the age of 40 tend to outperform those hired below the age of 30. The older workers attained a higher performance rating within a shorter period of time. This represents savings for companies which would otherwise have spent money on training. In all cases the average score for employees over the age of 60 compared favourably with that of employees below the age of 51.

Performance was below average in the case of employees under 31 years of age, and about average in the case of employees between 31 and 40. The best average in the case of employees was over 46 years of age. The best performance in store A related to employees in the age group 51 to 55; in store B, to those in the late 50's.

Mr. Speaker, there is also the question of labour turnover, which involves an enormous cost for industry. It has been found that there is less turnover in more mature workers than in younger workers. The worker of 45 and over quits his job less than one half as often as the younger worker. Similarly but to a less marked degree, the older worker is fired from his job less often than the younger worker. A 12-month survey in seven cities in the United States covering establishments employing 3.9 million workers showed that if an older worker obtains a regular job lasting at least one year, he is more likely than a younger person to stay with the firm up to the age of normal retirement. The annual separation rate for all groups was 54 for each 100 workers employed at the end of the pediod under study. The rate was 62 per 100 for those persons under 45 years of age. In contrast, the rate for those over 45 was 38 separations per 100 employees. This indicates that older employees are better employment risks than younger employees.

Then, Mr. Speaker, there is the myth about learning ability. A scientific study was undertaken in the United States concerning the intellectual ability to absorb. The army alpha intelligence test was administered to 127 male freshmen at Iowa State College during 1918-1919. It was readministered to the same group after an interval of 31 years, during 1949-50. In analysing the results, psychologists took into consideration the effects of social background, experience and the other factors which might have a bearing on the better scores attained in the 1950 tests. The net result was that it was found that the group was intellectually more able at 50 than they were in 1919.

Dr. Margaret Mead, the famous sociologist has said that "to put all the learning into childhood, all the work into middle age and all the regrets into old age" is one of the illusions of our society. It is time that society accepted the fact that it is possible to learn at any age and that learning ability is not the exclusive property of any age group. A program of education, based on the findings that older workers are flexible, can adapt themselves to new techniques and new ideas, should be highly successful in bringing about the reduction of age prejudice and the end of hiring restrictions.

Another factor, Mr. Speaker, is the question of pensions. We all know that the Canada pension plan, which this parliament will surely enact and which will give to all workers a portable pension, will destroy this one further obstacle to the employment of older workers. It seems to me that what we have to do in dealing with this problem is to educate industry, to educate employers, to educate the public into the idea that the illusions we have about older workers being costly, are harmful and are inequitable in terms of the growing group of older workers in our society.

A program undertaken by the national employment service advisory group in Toronto, which has been widely quoted and is quoted by the international labour office, showed that by interviewing older workers not only were some opportunities found for these

workers but the self-respect of the workers was built up and many went out and got jobs themselves, when prior to that they were depressed by the social mores which condemned them to the industrial heap.

With regard to this problem we have to change our attitude; we have to change the attitude not only of industry, not only of employers but we have to change the attitude of our society. We are providing benefits for older people and for younger people, and we must not assume that we are the only social welfare society that the world has ever seen. Our particular problem is an aspect of industrial society; it is an aspect of the decline of patriarchal society. Patriarchal society looked after older people; rural society absorbed to some extent older people. We live in a largely individualistic and industrial society and the welfare state is our answer to that hiatus which has been created in our society by the growth of this highly individualized and industrialized economy. We have to change our attitudes; we must carry on a large program of education, and we must show to employers the great waste consequent in the attitudes they have towards the employment of older workers.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we who are the colleagues of the hon. member for New Westminster (Mr. Mather) in this house appreciate the fact that an opportunity was made for this bill to be discussed again today. This arose from the fact that on April 3 the time allowed was something less than an hour and it seemed only fair that it should retain its position in the list of public bills. We feel, however, that the matter is of such sufficient interest and importance that the discussion should not be limited even to the further time it is getting today, but that the subject matter of this bill should at any rate be discussed in the industrial relations committee. It of course would be our preference that the bill itself come to a vote and be approved on second reading; but since the indications are that this might not happen between now and six o'clock, we would like to suggest to the house that it take its time in this private members' hour to discuss this matter, but that it agree that the subject matter of the bill is of sufficient importance that it should be discussed in the industrial relations committee.

We note with interest that those who have spoken on this measure thus far, both on April 3 and today, are sympathetic with the principles and purposes of the legislation proposed by my colleague the hon. member for New Westminster. I hope, therefore, that the motion which I should now like to make will be welcomed by the house. As hon. members will be aware, it is not a motion that closes off debate; it is a motion that can itself be debated. I hope there will not be any feeling that this motion needs to be talked out, but rather that some time just before six o'clock hon. members will let my motion carry so that the subject matter of this bill can go to the industrial relations committee for discussion. Therefore, Mr. Speaker, without further ado I wish to move, seconded by the hon. member for Skeena (Mr. Howard):

> That Bill C-28 be not now read a second time but that the subject matter thereof be referred to the standing committee on industrial relations.

Mr. D. G. Hahn (Broadview): Mr. Speaker, in speaking to the motion just moved, that the subject matter of this bill be referred to the standing committee on industrial relations I am assuming I am in order if I discuss the subject matter of the bill. The purpose of the bill is to add to the act now on the statute books a provision that extends the field of discrimination against which we are trying to guard in our employment practices. It would ensure that age is not used in a purely prejudicial manner against a prospective employee.

The act now on the statute books which this bill seeks to amend ensures that certain factors cannot be used as a means of barring employment. It ensures that prejudice and bigotry will not prevent people from getting a job and it specifically enumerates the factors of race, national origin, colour or religion.

I do not think there is any question in anybody's mind that these factors already in the act have any bearing on a person's capability in carrying out an employment function. I do not think that any member of the house feels that race, national origin, colour or religion matter in terms of a person's ability to carry out his function. The amendment would add age to these factors.

To my mind the factor of age is one of several grey areas. I am very much against, as we all are, prejudice on the ground of any of the factors already listed; but what about linguistic ability? What about a provision that would state that an employer cannot discriminate because of somebody's ability to speak a certain language? You might have a situation where a person of foreign birth is applying for a job and has a very heavy accent. The prospective employer might, because he had a prejudice against people of that person's racial background, discriminate

against him and because of his linguistic ability say: I will not take you.

On the other hand, there may be quite valid reasons for not employing a person with a very heavy accent. He might be applying for the type of job where his communicative ability was a key factor, in which case the employer would be justified in disqualifying this person for employment. This to me is a grey area. How do you know? It is very difficult to decide whether or not in the case I have just outlined the person is being discriminated against because of his linguistic ability or because of prejudice in the mind of the prospective employer.

Mr. Winch: I rise on a point of order, although I do not want to do so. I have listened very carefully to what the hon. member has been saying. I would point out that the bill has to do with only one thing, discrimination on the ground of age, but my hon. friend is discussing everything else except age discrimination. I would ask that the debate be confined to the subject matter of the bill now before us, age discrimination, and not whether a person speaks with an accent or anything else.

Mr. Hahn: If the hon. member will be patient, I was trying to indicate that there are certain categories of discrimination now in the act which are very clearcut, and that there are others where there can be some doubt; but I am coming now to the one specifically mentioned in the bill before us, age. I wanted to indicate that age also is one of those factors that can sometimes matter and at other times does not matter in terms of a person's ability to carry out a job. There are times when, for obvious reasons, the age of the person is important. There are times when it does not matter. There are several examples.

Some years ago when I was establishing a business I engaged a person for a function that normally would be a function that a young person would perform. It involved physical activity out of doors in all sorts of weather. I did not take a young man; I took an older man. This person has been with me for a number of years and has carried out the work extremely well. In the normal course of events one would have thought I would have been quite justified in saying to this person: No, you are too old for this job. It is very difficult indeed to tell.

At the same time I engaged this man I employed another man. His type of work was different and I hired a very young man, a man who according to the normal rules of the game might not have had enough experience. I could have discriminated against him by saying: You are too young—but I did not. It is very difficult in these cases to draw hard and fast rules. How do you know specifically whether age is or is not a factor in regard to a person's capability to carry out a job? It is extremely difficult to define.

There is a third kind of grey area of this type. A company may want to engage a person for a function for which age does not matter, but let us assume for a moment they want to engage a man to act as understudy to a senior person already in the organization. The age of the understudy does not matter in terms of his ability to carry out the job; but in terms of the long term development plans of the company age is a factor, if the company is looking forward to providing a replacement against the retirement of the more senior person. Is that company discriminating or not discriminating if they say that they would like a younger man for this particular function?

It seems to me that the major problem we face in this proposed legislation is that we are going to set out an area of discrimination and are going to say that an employer cannot discriminate against somebody because of age, and unless age is a bona fide occupational qualification he should disregard it in his hiring practices. It is exceedingly difficult, if not almost impossible at times, to determine whether age is a bona fide occupational qualification, because a person's capability to carry out the work is not the only factor. I think we must assume that the organization doing the hiring must have some plans for the future and must be able to carry out those plans, and if this involves selecting people in a certain age bracket the company should be allowed to do so.

This is not to say that I support, condone or agree with rank discrimination on the ground of age, because I feel that to discriminate only because of age, to turn a man down only because of age, is wrong. I should like to try to find an answer to the problem but I do not think this legislation is the right answer. I am afraid it could lead to all sorts of litigation. Indeed, if the bill is put on the statute books and is to mean anything it must lead to all sorts of litigation, and I think there would be great difficulty in establishing objective yardsticks to use. So I think we would wind up with an enactment on the statute books that would be unworkable. I do not think that this is the sort of thing we should do in this parliament. I think we

should be very careful to try to put on the statute books acts that will work.

What is the answer to this problem of the older worker? As the hon. member for York South (Mr. Gelber) pointed out, and as I heartily agree, in many respects the older workers are superior workers. There are prejudices in the minds of many people against hiring older people. The approach suggested by the hon. member for York South appears to me a much more logical approach, that is to try a fundamental educational program on the employers. This, in my opinion, would produce far better results than putting unworkable legislation on the statute books. I believe that if this bill is passed it is not going to solve the problem. Again, without going through all the ramifications of the problem, I think the hon. member for York South covered a number of the reasons why older people have difficulty in getting jobs.

This particular measure does not answer many of these problems. On the other hand, it is going to create problems in terms of litigation. I think it will create problems on the one hand without, on the other hand, achieving the objective we seek to achieve. I feel it will, in fact, do more harm than good. It has been moved that the subject matter of this piece of legislation go to a committee for study. I feel that, obviously, study is the answer to this problem. I do not believe we have an answer yet. However, I believe there is a committee of the other place that is studying the problem of aging. This is certainly an important part of the problem of aging. Is it, then, sensible or wise for us to establish another little study group working on a segment of essentially the same problem as the committee of the other place in tackling? I do not think it is. I feel that we should allow the committee of the other place to do its work and then, having the results of that committee before us, we could try to draft legislation if such legislation were deemed to be useful. For these reasons, I reject the suggestion that we refer the subject matter of this bill to the standing committee on industrial relations.

Mr. W. B. Nesbitt (Oxford): I intend to be very brief in speaking on this matter. I am glad that this piece of legislation has been introduced into this house. It has been a subject of great interest to me over the years, and on a number of occasions I have introduced resolutions designed to assist the employment of older workers in industry. I am glad to see a bill of this nature produced to help those who are employed by the federal government.

When this bill was previously before the house my colleague, the hon. member for Winnipeg South Centre (Mr. Churchill) requested support for it and requested that it be referred to a committee for further study. The hon. member's speech is recorded in *Hansard* for this session at page 1,783. Having heard the last speaker, the hon. member for Broadview (Mr. Hahn) and the previous speaker, the hon. member for York South (Mr. Gelber), I am glad to note that the members of the government at least have some sympathy for this type of legislation even if they are not interested in having it passed or considered by a committee. We all realize this matter is complex and that there are difficulties of administration and enforcement in this type of legislation. This is exactly why it should be referred to the committee on industrial relations.

I am astonished to hear the hon. member for Broadview say that this type of legislation should not be introduced or even studied at this time, because the Minister of Labour (Mr. MacEachen) introduced just this kind of legislation, in a related way.

Mr. Hahn: I rise on a point of privilege, Mr. Speaker. I did not say that at all. If the hon. member for Oxford was listening, he will know I stated the reason I did not believe this legislation should go to a committee was that there was a committee of the other place currently studying the problems of aging. I made no reference at all to actions on the part of the government.

Mr. Nesbitt: This committee has been studying the problem for quite a while, and probably will continue to do so for quite awhile, just like the sixth committee of the United Nations has been studying the definition of "aggression" for a number of years and has not decided on that as yet.

The Minister of Labour introduced legislation to assist the employment of older workers in industry. I really fail to understand the logic which says that type of legislation is all right, even if it does not work very well, and yet the hon. member for Broadview gets up and says this type of legislation should not be studied by a committee. I certainly hope the viewpoint he is expressing is not common to all the other members of his party. I certainly hope this bill is referred to the committee on industrial relations for study this afternoon. If the committee ascertains it is not possible to enforce or administer this type

of legislation, then we will know that is so. However, I cannot possibly understand how anyone could get up in this house and attempt to prevent this bill going to a committee for study.

Hon. Gordon Churchill (Winnipeg South Centre): I spoke on this matter when it was raised first some time ago on the basis of information I had just received that day from a civilian employee of the Department of National Defence.

Mr. Deputy Speaker: Order; is the hon. member speaking to the amendment? I assume that is why he is speaking now.

Mr. Knowles: That is what is before the house.

Mr. Churchill: Yes, I spoke on the main motion, but we are considering the amendment now.

This civilian employee of the Department of National Defence received a communication from the civilian personnel officer advising him of a recommendation for his release due to age. Those words were used in a letter which had been forwarded by the higher authorities. I put a question on the order paper which will be found on page 2195 of *Hansard* for April 15, 1964. It is question No. 640, and reads as follows:

Are civilian employees of the Department of National Defence dismissed from employment on the grounds of age before reaching 65 years?

The answer by the associate minister reads as follows:

The normal retiring age for civilian employees of the Department of National Defence is 65. There is provision in the Public Service Superannuation Act and regulations whereby a deputy head, with the concurrence of the civil service commission, may at any time, for reason only of age, terminate the employment of a contributor who has attained 60 years of age. It is the policy of the Department of National Defence to retire persons between age 60 and 65 years, by reason of age, only in unusual cases where continued employment involves a serious problem.

The answer is not completely clear, but it does admit that whereas the normal retiring age is 65, the department does retire people at an earlier age, on the grounds of age, and that is precisely the case which has been drawn to my attention, the release of an employee "due to age". To have the subject matter of this bill considered by a committee would throw some light on the policy of the government with regard to the problem of employment, and the release from employment, of people by reason of age.

I would think a committee would want to investigate very thoroughly this particular question, and see what the grounds are on which government departments release people simply on the grounds of age when it is normal, as the answer to my question indicated, to continue people until—

Mr. McIlraith: Would the hon. gentleman permit a question? Does he realize that the clause in the Civil Service Act, referred to in the answer he has just read, was put in that act by the government of which he was a member?

Mr. Churchill: Well, that is irrelevant. If it is a bad provision I don't care what government put it in; I would say throw it out. This has not come to my attention before, and if our government made a mistake we are quite prepared to admit it. The present government spends all its time apologizing for the mistakes it is making.

My point is that in this period, when we have become more sympathetic towards the question of employment and the age factor, when we have been attempting to deal with the employment of people over the age of 45 years, when we have been attempting to continue employment throughout the sixties—and in various circumstances suggesting that people should carry on until they are 70—surely we must look at any rules, regulations or provisions within the government service which permit retirement before the age of 65, simply on the grounds of age and, if there are arbitrary decisions being made, then some modification of these provisions should be entered into.

The reason I support the proposal that the subject matter be referred to a committee is that it is impossible under these circumstances to discuss the subject fully or to get the necessary answers that one would require. Whereas, a committee of the house is admirably suited to get the information, to have witnesses brought before it, to have the officials summoned, to study the matter and clear it up by suggesting modifications to some of our statutes or to the regulations of the civil service commission, modifications which would bring to an end the release of people from employment simply on the grounds of age.

Mr. Bert Leboe (Cariboo): Mr. Speaker, I intend to speak only a short while. First I would like to say I think the subject matter of the bill is worthy of close examination and should be placed before a committee for study, but the other thing I would like to say is that I doubt the practicability of the bill itself. I think it one of those cases where we sort of give lip service to something,

and there are so many loopholes that nobody can catch up with one who is actually transgressing in the situation.

One of the things that has caused this legislation to appear on the books has been the fact that pensions have been the criterion so far as hiring older people is concerned. The fact that people are getting on towards the pension age has worked against their securing employment; but now, if we get a universal pension plan with portability, this will have a great effect on the chances of the older workers becoming employed.

I look forward to our getting a pension plan suitable for all Canadians, with the portability that will make it possible for the individual who finds himself out of employment to take his pension with him, so that his prospective new employer will not look askance at him because of the pension situation.

Miss Pauline Jewett (Northumberland): Mr. Speaker, if I may revert for a moment to the few remarks made by the hon. member for Oxford (Mr. Nesbitt)—by the way they were not nearly as good as the cheese his country produces—he did say one thing about which I should like to comment. He drew attention to the fact that the government, through the Minister of Labour (Mr. MacEachen), introduced a measure to encourage industry to employ persons over 45 years of age who had been unemployed for six of the previous nine months.

While, as he said, this measure has not been taken up by employers on as wide a scale as we would have hoped, nevertheless it has provided a very substantial financial incentive for them to employ older workers. To my knowledge this is the first effort on the part of any government to set an example by actual legislation to encourage industry to employ older workers.

The hon. member for Cariboo (Mr. Leboe) has just pointed out that we are now hoping to have a comprehensive, portable pension plan, again devised by this government, and this too will provide an enormous incentive to the employment of older workers. Indeed, as I was sitting here listening to some of the speeches, particularly from the official opposition, I could not help recalling that these two measures this government has taken have been by far the most substantial strides ever taken to encourage the employment of persons who are getting on in years and who have such great difficulty getting jobs.

When this matter was debated three years ago, to be exact on May 5, 1961, speaker after speaker on the opposite side got up and talked about it. Presumably the government of the day spent a good deal of time talking about it, just as it spent a good deal of time talking about how wonderful it would be to have a portable, national, contributory pension scheme; but nothing was done about it. Neither was anything done on the score of encouraging industry to employ older workers, or getting the kind of pension scheme going that would make for the encouragement of the employment of older workers.

Therefore since this government has, in a very short time, taken these two steps which were talked about since 1961, and earlier, by the previous government, and since it is quite clear that the matter of the older worker is one that has been of very great concern to this government, in particular to the Minister of Labour, and in the case of the pension plan to the other ministers as well, we can pretty well rely on the interest and concern on this side of the house in this problem, an interest and concern which are sufficient to make us want to do something about it.

I see that the bill which it is proposed to amend, the Canada Fair Employment Practices Act, contains no provision for preventing discrimination on the ground of sex which, it seems to me, is an extraordinary omission and I hope the hon. member will—

Mr. Mather: You look after the sex and I look after the age.

Miss Jewett: If I were the hon. member, I would not like that at all. Perhaps we could be offered an amendment which would prevent discrimination against women workers, because such discrimination is widespread in many places.

What puzzles me about the amendment is the phrase "unless age is a bona fide occupational qualification". I have found it difficult to understand what this really means and how it would be interpreted. The hon. member for New Westminster (Mr. Mather) in his speech on April 3 really did not tell us what that means and I feel there is a danger it would mean all things to all men. If an employer were to say: "I am sorry, but this particular job is one which requires people under the age of 45", his word would be taken, there being no arbitrary way of judging whether the job was, indeed, one which could be done only by people in certain age groups.

This is a particular weakness. If we are to include this reference to age it would seem to me better to do so without making any qualification at all, except of course that obviously one would not include child labour.

It is interesting that we should have spent so many years in this country in the past fighting to get some degree of age discrimination, namely to prevent child labour, only to discover that there is discrimination at the other end against older workers.

The bill should be examined very closely before an age factor is introduced into the act. I agree that the act is not complete. As I have indicated, there is no clause in it to help women, and there is nothing about age in it at the moment. But the government it seems to me is already seized with this problem, as indeed is the other place right now. The interest being taken in it is greater than for a number of years. The government has already taken two important steps to encourage the employment of older workers, and undoubtedly further steps will be taken, steps which I suggest will be in the end more effective than the clauses which the hon. member wishes to introduce into the act.

For my part I am prepared to see a continuation of the progress we have made in this field over the past several months. I am not sure that the industrial relations standing committee would have much further to contribute on this subject. I believe additional progress can be made by other means. I was interested to notice that in one branch of the government service, the Canadian penitentiaries service, an attempt has been made recently to employ older workers in occupations other than those of guards.

An hon. Member: Just the opposite.

Miss Jewett: Someone says: "Just the opposite". I have heard about the case of a man older than 45 whose application was turned down several months ago. I wrote to the commissioner about this and in reply he stated that while there may have been in the past some tendency to prefer to employ a younger person, they were not now discriminating on account of age and that this man would be sent an application form.

Mr. Winch: Talk it out. You have two minutes to go.

Mr. Howard: I thought you had a mind of your own.

Miss Jewett: So they were not discouraging the employment of older workers in those categories, other than custodial officers.

Mr. Knowles: Would the hon. member permit a question?

An hon. Member: No, do not help her talk it out.

Mr. Knowles: In view of her statement that the terms of this bill should be inquired into further, does she not think it would be a good idea to let this motion go through so that the subject matter could be examined in a committee of private members?

Miss Jewett: To be quite honest, the reason is that this is obviously a problem which is already under consideration by the government. I am not saying the standing committee could not do an excellent job. Private members can do a lot of things, but in the light of the steps the government has taken recently I think we could look forward to better results by continuing as we have done over the past several months, bearing in mind the additional encouragement which is being given within the civil service itself to the employment of older workers wherever possible.

I do not think hon. members opposite realize what has been accomplished, by comparison with previous years. If they look more closely at what has been done I think they will agree with me that it is a very good record.

Some hon. Members: Six o'clock.

Mr. Deputy Speaker: Before we call it six o'clock may I say that a point of procedure has been brought to the attention of the Chair. It appears that the hon. member for Winnipeg North Centre (Mr. Knowles) who moved the amendment proposed this afternoon was the seconder of the original motion. Perhaps the hon. member would allow someone else—the hon. member for Comox-Alberni (Mr. Barnett)—to be the mover of the amendment.

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hour provided for the consideration of private members' business is now expired.

BUSINESS OF THE HOUSE

Mr. Churchill: The business for Monday has been announced. I presume that it holds, and that we will carry on with it on Tuesday and Wednesday if it is unfinished.

Mr. McIlraith: I am not able to give the business of the house beyond Monday. On Monday we shall be dealing with the three budget resolutions—the income tax resolution, the customs tariff resolution and the estate tax resolution. I am sorry I am not able to go beyond that.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, April 27, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. HAYS—REFERENCE TO REMARKS IN DEBATE BY MEMBER FOR YUKON

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I wish to rise on a question of personal privilege concerning unfounded statements made about me and my department by the hon. member for Yukon on Friday last. I want to state as follows. There is no Mr. McKay who works in the Department of Agriculture in Edmonton. No official of the Department of Agriculture approached any member of Purity Dairies concerning any contract.

Mr. Erik Nielsen (Yukon): Mr. Speaker, in reply to the minister's question of privilege, I feel he should have raised it on his estimates. It does not seem to me to be a question of privilege, but quite apart from that—

Mr. Speaker: Order. We are debating this matter. Has the hon. member any material matter to contribute? It seems to me that questions of privilege should be quite restrictively interpreted.

Mr. Nielsen: I submit that Your Honour should rule whether or not the matter raised by the minister is a question of privilege. The point I wish to submit is that the minister has not heard all the representations I wish to make about this matter, and it may very well prove to be the case that Mr. McKay was an employee of the department between the dates that I intend to submit to the minister when his estimates come up again. I would ask Your Honour to rule whether or not the minister has raised a question of privilege.

Mr. Speaker: It seems to me this is opening up a field for argument and complaint. The minister made a statement which has not been contradicted in the house, and I am therefore prepared to accept that statement unless there is other evidence produced which has not been produced today. I suggest to the hon. member for Yukon that at another time, on another occasion, on estimates or when some other opportunity is presented, he can make his case if he has one.

Mr. Nielsen: May I raise a question of order?

Mr. Speaker: I wonder whether the hon. member would do that later.

[*Later:*]

Mr. Nielsen: Mr. Speaker, may I now rise on a question of order with respect to the so-called question of privilege raised by the Minister of Agriculture, and refer Your Honour to page 2125 of *Hansard* for Tuesday, April 14 last, where Your Honour handed down a ruling with respect to a question of privilege I raised on April 13. On April 14, as recorded at that page, Your Honour said:

> The hon. member, who is a student of parliamentary procedure, when he rose to speak yesterday had just heard a statement from the Chair to the effect that members should not raise so-called questions of privilege on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the house, and that questions of privilege ought rarely to come up in parliament.

I request Your Honour to apply the rules, as I am sure Your Honour will in all fairness, to all members of the house, and rule on the so-called question of privilege that the minister purported to raise just a moment ago.

Mr. Speaker: In the circumstances I have not had the opportunity of studying the matter. After due consultation it has been brought to my notice that Beauchesne, citation 127(3), reads as follows:

> When a statement is made affecting an hon. member, which he denies, Mr. Speaker thinks that the house will feel that the hon. member has a right to make an explanation on a personal matter. He will not exceed an explanation of the particular matter.

It seems to me the minister made such a statement today, and I do not see that any question of privilege arises at this time.

STATEMENT BY MR. SPEAKER ON QUESTION OF MEMBER FOR KOOTENAY WEST

Mr. Speaker: If hon. members will give me a few minutes I have a statement to make. Unfortunately it is rather lengthy, but I have to make it; the question raised by the hon. member for Kootenay West was rather long and required detailed investigation.

On Wednesday, April 22, the hon. member for Kootenay West rose on a question of privilege based on the fact that in his opinion certain statements made by one H. L. Keenleyside in the press were a challenge to the ancient rights and privileges of members of parliament. He referred to the fact that Mr.

Keenleyside had objected to attacks made on senior officials, and he added that his point of privilege was based on a letter appearing in the Ottawa *Citizen* on Tuesday, April 21, 1964 entitled "Attacks on Public Servants in the House are Deplored", in which the writer restated at much greater length the substance of the statement made before the external affairs committee. The hon. member then said "It is obvious that H. L. Keenleyside's remarks are directed at me".

Having stated his point of privilege, the hon. member for Kootenay West proceeded to produce evidence in support of it. According to the hon. member the questions at issue are:

1. Whether a member of the Commons may freely and constitutionally comment, in the house or in a committee thereof, upon the conduct of any person in the public service in so far as that conduct relates to such person's official duties; and

2. Whether any person may criticize a member for so commenting and not be in contempt of the house.

The hon. member for Kootenay West has furnished me with a long memorandum giving the answers to these questions as contained in certain resolutions of the House of Commons of the United Kingdom on the 26th February, 1701. He also refers to the B.N.A. Act, the Senate and House of Commons Act, the Inquiries Act and the Civil Service Act.

As stated by the hon. member earlier, he ended his argument by moving a motion which reads as follows:

> That this house reaffirms the constitutional practice and validity of the privilege, right and obligation of its members to fully discuss or debate the actions or statements of any public servant of Canada, where, in the discretion of any member of this house, such a course is determined by such member, which constitutional privilege and obligation has been established over centuries of British parliamentary custom.

It will be noted that the hon. member does not ask the house to decide whether or not there is a prima facie case of privilege. Neither does he ask that the subject matter of the prima facie case of privilege, if there is one, be referred to the committee on privileges and elections. Nor does he, after tabling the newspaper, ask that the editor thereof and the author of the letter, Mr. Keenleyside, be cited at the bar of the house to be subsequently imprisoned, punished by admonition or reprimanded, as has happened in the United Kingdom and in Canada.

There are certain precedents in Canada which I might simply mention for the record, amongst them the Elie Tassé case in 1873, the Cinq-Mars case in 1906 and the Miller case in 1913. I suppose the typical case is that of Cinq-Mars who, having been heard at the bar, was censored by Mr. Speaker, as will be found on page 377 of the *Journals* of the House of Commons of 1906.

The motion moved by the member for Kootenay West reaffirming that the constitutional privilege of the house of discussing or debating the actions or statements of public servants has been established over centuries of parliamentary custom will be agreed to by all hon. members, but it does not appear to be the proper motion to make as it is simply a declaration of opinion.

That it is contrary to the privileges of the house to publish any libels reflecting on the members has always been recognized, although the procedures as late as 1760 were certainly quite different from the procedures of the twentieth century. For instance, in England the earlier reporters were positively prohibited from reporting speeches made in parliament. A number of prohibitions were set out during the seventeenth century, a typical one being the resolution of March 22, 1642, proclaiming that "whatsoever person shall print any act or passage of this house, without the particular licence of this house, shall be reputed a high contemner and breaker of the privilege of parliament, and be punished accordingly."

Even 85 years later, that is in 1727, Edward Cave and Robert Raikes were, by order of the house, committed to prison for publishing reports in the Gloucester *Journal* and were kept in custody for several days, only being released after expressing contrition for their offence and paying heavy fines. This, however, is only to show that there have been certain changes which have taken place since the numerous precedents of the year 1701 quoted in the hon. member's memorandum.

Coming back now to the questions at issue and the motion at the end of the question of privilege, there does not seem to me to be a direct and logical sequence. For instance, the second question asked is whether any person may criticize a member for so commenting and not be in contempt of the house, and the motion which the house is asked to adopt is simply in very general terms affirming certain privileges which are declared to exist.

In a book entitled "An Encyclopaedia of Parliament" by Norman Wilding and Philip Laundy, I find the following at pages 455-56, under the heading "Breach of Privilege":

> Both houses of parliament claim the right to punish offences which violate their privileges, whether committed by a member or an outsider, and whether directed against an individual or against the house collectively. Certain other offences against the authority and dignity of parliament, whilst not breaches of specific privileges, are also punishable and, more correctly called contempts. It has become the custom, however, to refer to all such offences as breaches of privilege.

The acts which constitute breaches of privilege are many and are dealt with exhaustively in Erskine May (chap. 8). Anson summarizes them as disrespect to any members of the house, as such, by a person not being a member; disrespect to the house collectively, whether committed by a member or any other...Disrespect to a member includes attempts to threaten or intimidate him, any libel concerning his conduct in the house and the offering of a bribe...

Here are four cases from *Hansard* which may have a certain bearing on the present case:

(1) 1914, February 2, page 343:

Mr. Speaker: That is scarcely to be regarded as a question of privilege, because it does not refer to the hon. gentleman's conduct, nor to his rights and privileges in the house.

(2) 1915, April 8, page 2189:

Sir Wilfrid Laurier rose to a question of privilege on statements in a leaflet published by the Federal Press Agency, Ottawa, and said the statements in it were false and a malignant libel and slander.

Mr. Speaker: I beg to say from the Chair that, while I would not regard this as a matter of privilege according to my understanding of privilege, it is quite proper that the right hon. gentleman should draw attention to this leaflet as he has done and deny it if he wishes to do so.

(3) 1915, April 15, p. 2461: Question of privilege over newspaper statement denied by Mr. Glass.

Mr. Speaker: With reference to the practice which seems to be somewhat prevalent of late, of reading newspaper articles in the House as a question of privilege, I wish to say that it is not a question of privilege, and cannot by any stretch of the imagination be properly regarded as privilege. All the same, it is the right of an hon. member to refer to such statements and to contradict them.

(4) 1916, Feb. 3, p. 555: In this case, Mr. Burnham complained of an article in the Toronto *Star* as incorrectly reporting him:

Mr. Speaker: I may inform the hon. member and the house that my attention was called this morning to the article referred to, and I can only say that it is certainly unjust; I need not say more to the hon. member for Peterborough. If this report was sent to the paper in question by a member of the press gallery, I think it is his duty to apologize, and to do justice to the hon. member for Peterborough.

To end this statement I would have to say that either the newspaper article refers to the hon. member's conduct and is a libel thereon, or it is not such a libel. If this newspaper article is a libel on the conduct of the hon. gentleman, the motion now before the house does not appear to me as if it would bring a remedy. On the other hand, if there is no libel on the hon. gentleman then it is not a question of privilege. It is, therefore, evident from what I have said that the proposition of the hon. gentleman cannot be recognized as a question of privilege.

The motion that he has asked the house to adopt is in the nature of a substantive motion which would have to appear on the orders of the day after 48 hours' notice under the heading private members' notices of motion to be dealt with when called, in its proper turn and at the proper time. There is no rule or precedent that would justify the adoption of such a motion following the publication of an article or a letter in a newspaper.

However, there is no doubt that it was quite proper for the hon. gentleman to bring this matter to the attention of the house and to reaffirm the privileges, rights and obligations of its members, and by doing so, he has served the purpose that he had in mind.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have listened with great interest to the statement you have made and I move, seconded by the hon. member for Skeena (Mr. Howard):

That the statement made this day by Mr. Speaker, and the subject matter of the question of privilege on which it was based, be referred to the committee on privileges and elections for consideration and report.

Mr. Speaker: If I may recall to the attention of the hon. member for Kootenay West, I devoted several minutes and at least five pages of text trying to prove or at least to render the decision that there was no point of privilege. That being so, it is impossible for me to receive this motion at this time.

STATEMENT BY MR. SPEAKER ON QUESTION OF MEMBER FOR LABELLE

Mr. Speaker: Before calling for orders of the day I should like to give an opinion. Last Friday, April 24, 1964, as recorded at page 2660 of the French edition of *Hansard,* and at page 2536 of the English edition, the hon. member for Labelle (Mr. Girouard) asked the following question:

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, I should like to direct my question to the Prime Minister. It has been reported by all information media that Mr. Keith Davey, chief Liberal organizer, has stated that I had been rejected by the Liberal party.

I am asking the Prime Minister whether, to his knowledge, I have ever offered my services to the Liberal party?

[*Text*]

On the two subsequent pages of *Hansard* it will be seen that the Chair expressed the view that the foregoing question was not relating to public affairs and, since it was completely out of order, could not be raised after ten o'clock on the adjournment of the house. Interventions were made by certain members, more particularly with regard to the interpretation of provisional standing order 39, subsection 5, in relation to the admissibility of a notice given by a member to raise during adjournment proceedings the subject matter of a question ruled out of order. The Chair then stated that in order

to ensure complete consideration and impartiality the matter would be studied during the week end.

My view on this point is as follows:

1. Provisional standing order 39 (5) authorizes a member to give notice of his intention to raise the subject matter of his question on two occasions; (a) when he is not satisfied with the answer given; and (b) when he is told by the Speaker that his question is not urgent.

2. It seems obvious to me that a question must be in order on the two occasions where notice may be given pursuant to provisional standing order 39 (5). In the first instance, I fail to see how a minister may answer any question at all unless the Chair is of the opinion that the question is in order and may be asked. In the second instance, when a member is told by the Speaker that his question is not urgent it is to be assumed that the question is in order but not sufficiently urgent to be asked before the orders of the day are proceeded with.

3. Looking at the broader aspect of the problem it has been taken into consideration that, not knowing beforehand the gist of the question, it is only after the question has been asked that the Speaker is in a position to decide whether or not it is in order. It has also to be taken into consideration that to debate the subject matter of some of the questions ruled out of order would come into conflict with our rules of debate, as, for instance, when a question is asked on a matter which is not within the purview of our parliament or is *sub judice*, or reflects upon a vote of the house. I do not think it is reasonable to conclude that a member may ask questions on any matter under the sun, and when told by the Chair that a specific one is out of order he be permitted, merely by giving notice, to discuss after ten o'clock a subject matter which may not be permitted by our rules of debate. This in my view would lead to the conclusion that we are establishing two sets of rules of debate, one applicable before and the other after ten o'clock.

4. With regard to the question asked last Friday by the hon. member for Labelle, reference must be made to subparagraph 1 of paragraph 7 of the report of the committee on procedure and organization, presented on April 15 last and concurred in by the house. It reads as follows:

> Questions asked prior to orders of the day should be governed by the provisions of standing order 39 (1).

Under standing order 39 (1) questions seeking information from ministers of the crown are permitted when relating to public affairs. Our practice in this regard is similar to that of the British house and has many times been stated by prior Speakers when intervening during the question periods. I wish to refer here to May's sixteenth edition as to the meaning of the words "public affairs" in relation to questions addressed to ministers. It is stated as follows at page 356:

> Questions addressed to ministers should relate to public affairs with which they are officially concerned, to proceedings pending in parliament or to matters of administration for which they are responsible.

5. In the light of what I have just said I see no good reason for modifying my decision of last Friday concerning the question asked by the hon. member for Labelle as to the question being out of order, and I must come to the conclusion that a notice of intention to raise after ten o'clock the subject matter of a question ruled out of order is therefore inadmissable.

[*Translation*]

Mr. Gérard Girouard (Labelle): Mr. Speaker, I rise on a question of privilege.

Last Friday, as reported on page 2538 of *Hansard*, the hon. member for Bonaventure (Mr. Béchard) interrupted the debate to insinuate that my recent decision was due to political bargaining on my part.

The remark of the hon. member for Bonaventure could have passed for a joke, but the hon. member forgot that wit is the mother of humour.

I shall therefore take a few minutes in order to clear myself of the charge made against my integrity by the hon. member for Bonaventure. At the risk of disappointing members of the press gallery, I have decided not to mention the dates, places and names of certain Liberal members involved, because I refuse to become an accomplice of the chief Liberal organizer who would have allowed me to reflect on the political reputation of certain friends whose only mistake was to show their sincerity in this matter.

About two months ago I met publicly four Liberal members in Hull. In reply to one of their questions concerning my political future, I replied that I was quite decided to join the ranks of the Conservative party. At that very moment a Liberal member got up to make a phone call. When he returned to our table, he strongly insisted that I take no decision without having met Keith Davey, the chief Liberal organizer.

I replied that my decision was final, that the organizers of my riding wanted me to be a Conservative and that such a meeting would probably be useless.

However, urged by my colleagues I agreed to receive in my office—you understand, in my office—the power behind the Liberal party. Another telephone call from a member

of parliament and the meeting was set for the next morning. At eleven o'clock the next morning I received a telephone call asking me to go to the office of a Liberal member because it would have been embarrassing for Mr. Davey to be seen entering my office.

I went to that office but my first words to Mr. Davey were to confirm my intention of joining the Conservative party. I told him that if I had come to the meeting, it was only to please my friends.

Mr. Davey was rather suggesting at that moment that I join the ranks of the Liberal party. He said he would take care of the defeated Liberal candidate and as for unsatisfied Liberal organizers, I would only have to change them.

The benefits: a party in power and a fat electoral fund for the next election.

Mr. Davey suggested that I ponder those proposals.

A week later a Liberal member of parliament belonging to that same group approached me to tell me that he was very sorry but the Prime Minister (Mr. Pearson) had asked his chief organizer to cease all pressure because he, the Prime Minister, was afraid to lose the regular support of the Social Credit party if he ever stole members from that party.

Mr. Speaker, I have never asked to join the ranks of the Liberal party and, as far as I know, none of my former colleagues have ever made such a request either.

[*Text*]

[*Later:*]

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Prime Minister a question arising out of the statement of privilege made by the hon. member for Labelle. Would the Prime Minister consider making a motion to have this matter referred to the standing committee on privileges and elections in view of the seriousness of the charge implicit in the statement?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I do not think any useful purpose would be served in following that course.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. I should like to enter a caveat, because after we have had a chance to read what was contained in the statement made by the hon. member for Labelle, some of us may want to raise a question of privilege tomorrow and move the kind of motion that was just suggested.

WATER RESOURCES

TABLING OF APPENDIX TO REPORT OF FRASER RIVER BOARD

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I should like permission of the house to table the appendix volume to the final report of the Fraser river board on flood control and hydroelectric development in the Fraser river basin. Hon. members will recall that I tabled the final report of this board on March 10, but at that time the appendix volume was not available.

TRADE

TABLING OF TEXT OF SPECIAL ARRANGEMENTS WITH U.K. RESPECTING CANADIAN FLOUR

Hon. Mitchell Sharp (Minister of Trade and Commerce): On April 16 I made available to the house details of an exchange of letters between the Canadian government and the British government relating to the new British production and import policy for cereals. I now ask leave of the house to table the text of the special arrangements for Canadian wheat flour to which I referred at that time.

Mr. Speaker: Does the house grant leave?

Some hon. Members: Agreed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GROSS NATIONAL PRODUCT—PERCENTAGE COLLECTED IN TAXES

Question No. 118—**Mr. Coates:**

Is the figure, 25.8 per cent of the gross national product, the correct percentage of total taxes collected by all levels of the government in Canada in 1961, as stated by Hon. Walter L. Gordon to a meeting in Edmonton of January 28, 1964?

Mr. Benson: This was the figure calculated by the organization for economic co-operation and development on a basis comparable with figures for the United States, the United Kingdom, and other member countries. This basis differs in some details from that normally used by the dominion bureau of statistics in regard to Canada, but is considered better for the purposes of international comparison such as that made in the statement mentioned.

AMENDMENT OF CONSTITUTION

Question No. 228—**Mr. Brewin:**

1. What steps are contemplated by the government in regard to vesting in Canada the power to amend the Canadian constitution?
2. Is it proposed to reconvene the conference of attorneys general to consider this question?
3. Is it proposed to call any other conference or conferences to deal with this question?

4. Is it proposed to consult experts in constitutional law as suggested by the association of Canadian law teachers?

5. Is it proposed to invite representations from interested persons in respect to proposed changes in the Canadian constitution?

6. Is it proposed to hold public hearings at which submissions and representations in respect to the amending procedure and changes in the constitution might be offered?

Mr. Favreau: The intentions of the government will be made known in due course.

CONSTITUTIONAL BILL OF RIGHTS

Question No. 229—**Mr. Brewin:**

1. Has the government given consideration to incorporating in the Canadian constitution (The British North America Act) a bill of rights or statement of fundamental principles and individual rights upon which Canadian confederation is based and which would be binding upon both parliament and the legislatures?

2. If so, what steps does the government contemplate by way of preliminary conferences or consultations in order to prepare for such a constitutional bill of rights?

Mr. Favreau: The intentions of the government will be made known in due course.

INDIAN ACT REVISION

Question No. 292—**Mr. Aiken:**

1. When was work commenced on the revision of the Indian Act?

2. What progress has been made thereon?

3. Will consultations be held with Indian bands before the revision is completed and, if so, what will be the nature of such consultations and when will they be held?

4. Was it the intention of the government to introduce the revised act as a bill at the 1963 session of parliament and hold the consultations in the summer and autumn of 1963 and if so, why was this intention departed from?

Mr. Badanai: 1, 2, 3 and 4. The Indian Act has been under continuous review since 1951 and amendments were made in 1953, 1956, 1958, 1960 and 1961. Following the tabling and the final report of the joint committee of the Senate and House of Commons on Indian affairs, July 8, 1961, which contained many recommendations with legislative implications, a more detailed review was carried out. This review indicated that notwithstanding the amendments made in the years above mentioned the conditions and requirements of the Indians were changing to such an extent that a further revision of the Indian Act would be desirable and preliminary drafting of possible amendments was commenced.

In addition to suggesting certain legislative changes another major recommendation of the joint committee on Indian affairs was the holding of a federal-provincial conference in respect to the extension of services to Indians. At the federal-provincial conference held last November it was decided that a ministerial conference on Indian affairs should be held. A ministerial conference is now being planned and may well give rise to changes in both federal and provincial legislation. The changes that might be required, however, will not become apparent until after the conference and discussions have been developed further. In the meantime, review of the Indian Act is proceeding as quickly as sound and thorough consideration will permit with the objective of proceeding with such amendments as may be required. As announced in the house on December 14, 1963, it is the intention to follow the procedure adopted in 1951 and repeated in 1955 of consulting fully with the Indians before the legislation is passed. The exact nature or time of the consultations has not yet been determined.

PREVENTIVE DETENTION SENTENCES

Question No. 299—**Mr. Howard:**

1. Since January 1, 1963, has any application for a sentence of preventive detention been made under section 660 of the Criminal Code and, if so, for each month since that time what was, by province (a) the age of each individual (b) the number known to be narcotic addicts (c) the total number (d) the number of sentences so imposed (e) the number of applications still pending (f) the number of dismissals?

2. With respect to each individual, what were the three separate and independent occasions upon which he had been convicted of an indictable offence, and for which he was liable to imprisonment for five years or more?

3. By provinces, how many persons are presently serving a sentence of preventive detention, and how many of these have been so detained for (a) one year (b) two years (c) three years (d) four years (e) five years (f) six years (g) seven years (h) eight years (i) nine years (j) ten years (k) 11 years (l) 12 years (m) 13 years (n) 14 years (o) 15 years?

4. How many persons who have been sentenced to preventive detention have been paroled after serving of that sentence (a) one year (b) two years (c) three years (d) four years (e) five years (f) six years (g) seven years (h) eight years (i) nine years (j) ten years (k) 11 years (l) 12 years (m) 13 years (n) 14 years (o) 15 years and, how many have violated that parole?

Mr. Favreau: 1 and 2. The administration of justice is the responsibility of the provinces. Therefore the information requested is not available.

3.

Detained for	N.B.	Que.	Ont.	Man.	Sask.	B.C.	Total
Less than 1 year	2	2	3	2		9	18
1 year		1	3		1	4	9
2 years	1		3		4		8
3 years	2	2	1	1	1	2	9
4 years	1		1			2	4
5 years		1		1		3	5
6 years					1*	2	3
7 years			2		1		3
8 years	1		3	1		1	6
9 years			1	2	1	1	5
10 years			2		1	1	4
11 years				1		1	2
12 years				1	1		2
13 years			1				1
14 years							Nil
15 years							Nil
Total	7	6	20	9	11	26	79

*One inmate confined provincial mental hospital since April, 1959.

4. (a) one year, none; (b) two years, none; (c) three years, none; (d) four years, none; (e) five years, 3; (f) six years, 1; (g) seven years, 12; (h) eight years, 16; (i) nine years, 8; (j) ten years, 3; (k) eleven years, 6; (l) twelve years, none; (m) thirteen years, none; (n) fourteen years, none; (o) fifteen years, none.

Of a total of 49 so paroled, 14 have violated their paroles.

APPOINTMENT OF COUNTY COURT JUDGE, PICTOU, N.S.

Question No. 360—**Mr. MacEwan:**

When can an announcement be expected as to the appointment of a county court judge for the Pictou-Cumberland areas of Nova Scotia?

Mr. Favreau: The appointment is under consideration and will be announced shortly.

IMMIGRANTS FROM ALGERIA

Question No. 393—**Mr. Coates:**

How many applications from Algerian repatriates have been approved and how many have entered Canada since Algeria became an independent nation?

Mr. Badanai: No statistics were kept prior to January, 1963, showing the number of visas issued to French citizens who previously lived in Algeria. Since that time there is a record of 114 visas having been granted to such persons. It is probable that many who applied for admission just before or following Algerian independence received visas before the department began to record such figures. They would therefore be in addition to the 114 recorded.

Regarding the numbers who have actually come forward to Canada I would first like to explain that French citizens with previous residence in Algeria have not been set apart or distinguished from other citizens of France in the department's statistics on immigrant arrivals. However it has been determined that during 1962 and 1963, 114 French citizens who claimed Algeria to be their country of last permanent residence, were landed in Canada. Most of these people could likely be classified as falling within the group in which the hon. member is interested. This does not mean that others have not come forward. Any former resident of Algeria of French nationality who returned to France and lived there for more than one year prior to migration would be included with other French citizens who claimed France as their country of last permanent residence. There is no way of identifying how many of these people might be involved.

WOMEN'S PRISON INMATES

Question No. 417—**Mr. Fairweather:**

What was the total, by provinces, as at March 13, 1964, of inmates of the prison for women at Kingston?

Mr. Favreau: The total, by provinces, as at March 13, 1964, of inmates of the prison for women at Kingston is:

	Questions
Northwest Territories	1
Yukon	1
British Columbia	45
Alberta	12
Saskatchewan	2
Manitoba	4
Ontario	46
Quebec	5
New Brunswick	2
Total	118

SUPREME COURT REFERENCE RESPECTING INDIANS

Question No. 420—**Mr. Matheson:**

Has the government given consideration to the expediency of submitting a reference to the Supreme Court of Canada on the following question, namely:

"Does the power of the federal government over Indians as stated in item 24 of section 91 of the British North America Act extend to such ancillary matters as education and welfare"?

Mr. Favreau: So far as the Department of Justice is concerned, no.

REVIEW OF CHARLES HEATHMAN CASE

Question No. 435—**Mr. Marcoux:**

Has the Minister of Justice reviewed the case of Charles Heathman of British Columbia and, if so, does he intend to take any action in the matter?

Mr. Favreau: The Minister of Justice has not reviewed this case because the matter does not come within the jurisdiction of the Department of Justice.

P.F.A.A. AND P.F.R.A. EXPENDITURES—C.B.C. EMPLOYEES

Question No. 469—**Mr. Horner (Acadia):**

1. How much money has been spent under P.F.A.A. in the past ten years?
2. How much money has been spent under P.F.A.A. in Alberta in the past ten years, and how much in special areas districts Nos. 2 and 3?
3. How much money has been spent under P.F.R.A. in special areas districts Nos. 2 and 3 over the past ten years?
4. What assistance on feed grain was given to residents in special areas districts 2 and 3 over the past ten years?
5. When was the most recent study of the Red Deer diversion scheme by P.F.R.A.?
6. What was the total number employed by the C.B.C. in 1958 and 1963, what number of these are employed with administration and what number for the production of programs?
7. What was the total number of programming hours on radio and television for 1958 and 1963?

Mr. Lamontagne: I am informed by the Department of Agriculture as follows:

1. For the ten crop years ending July 31, 1963 total P.F.A.A. payments amounted to $186,875,834.85.

2. For the ten crop years ending July 31, 1963, P.F.A.A. payments were as follows: Alberta, $50,428,941; special area No. 1, $2,590,154.13; special area No. 2, $3,367,341.20.

[Mr. Favreau.]

3. Expenditures under P.F.R.A. in special areas districts Nos. 2 and 3, over the past ten years have amounted to $492,179.72.

4. Federal financial assistance on feed has covered fodder and not feed grain. The federal contribution to these shared-cost programs in Alberta has been $167,061 over the past ten years with no details available as to expenditures by area within the province.

5. The most recent study conducted by P.F.R.A. on the Red Deer diversion scheme was in 1958.

I am informed by the Canadian Broadcasting Corporation as follows:

6. Staff statistics as at March 31, 1958 were 6,262 and at March 31, 1963, were 7,520. Breakdowns of these figures are not maintained identifying those employed in administration opposed to those engaged in the production of programs.

Perhaps one means of providing this requested breakdown would be found from an analysis of the financial information in the appropriate annual reports of the corporation. As shown in the 1958-59 and 1962-63 reports, administrative and general services plus management and central services amount to 8.1 per cent and 9.2 per cent of the total expenditures in the respective years. The staff in these areas will closely approximate these financial allocations.

7. The total number of programming hours on C.B.C. owned stations were:

	Radio	Television
1958	161,116	29,752
1963	236,197	58,766

N.B. Hours of program transmission of low power radio transmitters, and unattended television rebroadcasting stations not included in these calculations.

* PENITENTIARY CONSTRUCTION, ST. PIE DE BAGOT, QUE.

Question No. 509—**Mr. Ricard:**

At about what date will the construction of the penitentiary be undertaken on the site purchased for this purpose in the parish of St. Pie de Bagot?

Mr. Macdonald: There are no immediate plans for the construction of a penitentiary to be undertaken on this site.

REPLICA OF SILVER DART PLANE

Question No. 548—**Mr. Muir (Cape Breton North and Victoria):**

Is the replica of the Silver Dart now on display at the national aviation museum and, if not (a) for what reason (b) where is the replica of the Silver Dart?

Mr. Lamontagne: No. (a) In accordance with established policy, the aircraft displays at the

aviation museum are rotated periodically; the Silver Dart was on display for a period of two years ending in early July, 1963, (b) it is now in storage at the aviation museum storage depot on Industrial avenue in south Ottawa.

ALGERIAN IMMIGRANTS

Question No. 580—**Mr. Caouette:**

1. Since Algeria obtained independence, has the Department of Citizenship and Immigration or any other federal department received application from Algerians wishing to settle in Canada?

2. If so, how many applications have been approved and how many Algerian immigrants have settled in Canada since that date or will come to Canada?

3. In what areas will these immigrants settle or have they settled?

4. What is the occupation of these immigrants?

5. Have these immigrants received special assistance to establish themselves in Canada and, if so, what is the nature of the assistance provided them by (a) the government of France (b) the federal government (c) crown agencies (d) the provincial governments?

6. Was any help given in the form of gifts, loans or advances of any kind, and on what conditions?

7. If no such assistance is given, is the government negotiating with other governmental authorities in the matter of the coming of these immigrants and, if so, what is the nature of these negotiations, who is taking part in them and what progress has been made?

Mr. Badanai: In providing information in response to the hon. member's question, it has been assumed from the text of his question as a whole that by using the term Algerians in part 1, he is referring to citizens of France who were formerly residents of Algeria as opposed to citizens of Algeria. Also it should be explained that French citizens who previously lived in Algeria, but who have now returned to France, have not been set apart or distinguished from other French citizens in the department's statistics on immigrant arrivals. With these two observations the following are the answers to the hon. member's question.

1. Yes.

2. No statistics were kept prior to January, 1963, showing the number of visas issued to French citizens who formerly resided in Algeria. Since that time, there is a record of 114 visas having been granted to such persons. It is probable that many who applied for admission just before or following Algerian independence received visas before the department began to record such figures. They would therefore be in addition to the 114 recorded.

Regarding arrivals, as indicated in my preliminary remarks the department has no way of determining precisely how many of these people have come to Canada. However it has been determined that during 1962 and 1963, 114 French citizens who claimed Algeria to be their country of last permanent residence were admitted as landed immigrants. Most of these people could likely be classified as falling within the group in which the hon. member is interested. This does not mean that others have not come forward. Any former resident of Algeria of French nationality who returned to France and lived there for more than one year prior to migration would be included with other French citizens who came from France. There is no way of identifying how many of these people might be involved. There is also no way of determining how many more may eventually come to Canada.

3 and 4. For the reasons already mentioned, no figures are available to indicate the destinations or occupations of those who have already come to Canada. In line with the department's normal policy, these immigrants would be free to choose their own destination in Canada having regard to opportunities for their successful establishment in their particular vocations or professions. As far as occupations are concerned, there is every indication that these people represent a fairly wide cross section of skills, trades and professions.

5, 6 and 7. As far as the Department of Citizenship and Immigration is aware, no special assistance, gifts, loans or advances have been extended to any of these people who have already arrived in Canada. Those measures of assistance provided by the Department of Citizenship and Immigration have been the same as those offered to any other newcomer to Canada and would consist of such things as help in locating employment and accommodation where necessary, counsel and advice as to their establishment here and so forth. However some discussions have been held by Caandian federal and provincial officials and representatives of the French government concerning the possible movement to Canada of a group of French farmers who previously resided in Algeria. These discussions are still continuing and it is too early as yet to say just when and if a group of these people may come to Canada and under what arrangements. Undoubtedly the Minister of Citizenship and Immigration will make an appropriate announcement if and when final arrangements are completed.

HIGHEST PAID CIVIL SERVANTS

Question No. 621—**Mr. Mather:**

What are the salaries of the 13 highest paid federal government civil service officials?

Mr. Benson: Three receive $27,000; 11 receive $25,000.

CONVERSION TO FRENCH OF RADIO STATION CJBC

Question No. 642—**Mr. Howe (Wellington-Huron):**

1. What procedure was decided upon by the consultative committee composed of five members from

the board of broadcast governors and five C.B.C. officials who were to meet in the month of January in connection with the proposed changeover of Toronto radio station CJBC into a French language outlet?

2. When was this change over to be completed?

3. What will be the cost to the C.B.C. for this conversion of CJBC from an English to a French speaking station?

Mr. Lamontagne: I am informed by the board of broadcast governors and the Canadian Broadcasting Corporation as follows:

1. No procedures were decided upon.

2. October 1, 1964.

3. The conversion of CJBC to a French language station will require no additional operating or capital funds.

*CREATION OF MONEY BY CHARTERED BANKS

Question No. 653—**Mr. Côté (Chicoutimi):**

1. Do chartered banks create money on the basis of bank notes they receive directly from the Bank of Canada or on the basis of bank notes which are deposited by individuals?

2. With what money do the chartered banks buy their notes from the Bank of Canada?

Mr. Benson: When a customer deposits Bank of Canada notes for credit to his account in a chartered bank, there is an increase in the total deposit liabilities of that bank and, on the asset side, a corresponding increase in its cash reserves, which consist of its holdings of Bank of Canada notes and its deposit at the Bank of Canada. When a chartered bank obtains Bank of Canada notes from the Bank of Canada, payment is made for them by drawing on its deposit account at the Bank of Canada so that this transaction does not produce any increase in the chartered bank's cash reserves or in its deposit liabilities.

MUNICIPAL LOAN APPLICATIONS, MANITOBA

Question No. 660—**Mr. Stefanson:**

1. How many applications have been received under the municipal loan fund up to the present time in the province of Manitoba?

2. How many of these have been approved?

3. What is the total amount of these loans?

4. What municipal corporations have had loans approved and what is the amount of each loan?

Mr. Benson: 1. Three as at April 7, 1964.

2. Three.

3. $323,973.

4. City of Brandon, $136,640; city of Portage la Prairie, $87,333; rural municipality of Fort Garry, $100,000.

FLOOD CONTROL PROJECT, WILLOW AND STIMSON CREEKS, ALBERTA

Question No. 674—**Mr. Horner (Acadia):**

1. When was the agreement signed by the Minister of Agriculture for the construction of the $700,000 project for the chain of lakes to control flooding of the Willow and Stimson creeks?

[Mr. Howe (Wellington-Huron).]

2. Under what branch of the Department of Agriculture would this project come (a) ARDA or (b) P.F.R.A.?

3. Was the project requested by the provincial government or the municipal government, and will either the provincial or municipal governments make any financial contribution towards the project?

4. When were the initial investigation and feasibility studies of the project first commenced?

5. What land area will this project provide stock watering facilities for, and what is the approximate number of livestock in the area?

Mr. Hays: 1. There has been no special agreement signed for the construction of the chain of lakes project. The construction will be carried out under the terms of the 1963 agreement with the province of Alberta respecting P.F.R.A. projects in this province.

2. P.F.R.A.

3. The government of Alberta requested the construction of the project, and there is no sharing of costs with either the provincial or municipal governments.

4. 1941.

5. An area of approximately 80 square miles, having a total livestock population at present of 10,300 cattle, 230 horses and 935 sheep, will benefit from the construction of this project. In addition to providing an assured water supply for livestock, it will also increase the carrying capacity of ranches along Willow creek and Stimson creek by providing an additional 2,000 acres on Willow creek and 250 acres on Stimson creek for irrigation for forage. The reservoir will also protect against flooding along both creeks, which has been serious in periods of heavy rainfall and assure adequate supplies of water for the towns of Nanton, Claresholm, Stavely, Granum and Nolan.

REQUEST FOR P.F.R.A. OFFICE, PORTAGE LA PRAIRIE, MAN.

Question No. 678—**Mr. Enns:**

Will the Department of Agriculture give consideration toward establishing a P.F.R.A. regional office in Portage la Prairie, Manitoba, to better meet the increasing need for service under P.F.R.A. in the central Manitoba area?

Mr. Hays: Yes. This matter is now under consideration.

*COMMITTEE STUDY OF TIED SALES TO SERVICE STATIONS

Question No. 685—**Mr. Prittie:**

1. Is an interdepartmental committee studying the recommendations of the restrictive trade practices commission concerning amendments to the Combines Investigation Act to control the practice of tied sales imposed upon service stations by petroleum companies and, if so, when did this study by the committee begin?

2. Does the government plan to introduce legislation on this subject at this session?

Mr. Macdonald: 1. My predecessor has already informed the house that this matter was under study by an interdepartmental committee. It commenced its work in March, 1963 and has now provided me with its views of the matters that we referred to it.

2. I am at present discussing the whole matter with my officials and any decision as to legislation will be made known in the proper way.

MENTAL HOSPITAL GRANTS TO QUEBEC

Question No. 688—**Mr. Langlois:**

1. What grants in respect of mental hospitals were made by the federal government to the province of Quebec in 1960, 1961, 1962, and 1963?
2. What control does the federal government have over the use of these grants?

Miss LaMarsh: 1. Under the national health grants, the following funds were made available for mental hospitals in the province of Quebec during the fiscal years 1960-64: 1960-61, $1,411,814; 1961-62, $2,206,271; 1962-63, $1,738,213; 1963-64, $1,576,599 (estimated).

2. Under the terms of the annual order in council, the latest of which is P.C. 1963-15/428, the provinces submit projects for federal assistance on behalf of health programs planned and operated under provincial supervision and control. Federal treasury officers receive auditable statements of expenditures which are reimbursed by federal assistance paid to the provinces.

PAROLE OFFICERS EMPLOYED BY JUSTICE DEPARTMENT

Question No. 699—**Mr. Orlikow:**

1. How many parole officers are employed by the Department of Justice, and what is their jurisdiction?
2. How many of these are trained social workers?
3. How many are university graduates in the social sciences?
4. Does the department make provisions for bursaries for the training of more parole officers and, if so, how many bursaries and for how much?

Mr. Favreau: 1. Forty seven. The jurisdiction of those employed in the field offices is geographically limited to specified areas and the duties include the direct interviewing of applicants for parole; the direct or indirect supervision of persons on parole and the maintenance of liaison with crown authorities.

Generally speaking, the jurisdiction of parole officers employed at headquarters is geographically limited to a specified area and their duties include the assembly of data necessary to the study of parole cases; the preparation of summaries, based on the data assembled, for consideration by the national parole board and the performance of incidental duties.

2. Eighteen.

3. Thirteen.

4. No.

TRAINING GRANTS FOR SOCIAL WORK

Question No. 703—**Mr. Orlikow:**

1. How much money has been allocated under the welfare training grants to help pay for the education of people desiring to improve their qualifications in the field of social work?
2. How many people are now at recognized professional schools under the provisions of these grants?
3. What are the amounts of the bursaries provided?
4. Has any money been allocated for research projects in the field of social service?
5. Have any plans been developed for research into appropriate use of sub-professional staff in the field of social welfare?

Miss LaMarsh: 1. Of the $500,000 made available under the program in 1963-64, $130,-648 was provided in awards to persons taking graduate social work training in schools of social work.

2. 126.

3. Awards are made in four ways.

Bursaries and training grants are paid through the provinces, with the province making the award in the amount it considers suitable and the federal government sharing, in the case of bursaries, up to a maximum of $1,500 plus $500 dependant's allowance yearly, and in the case of training grants up to $4,000 plus $500 dependant's allowance yearly. Necessary travel costs are also paid. Bursaries are provided to assist students who wish to take graduate training in social work, and training grants to assist persons employed in welfare who have been granted educational leave to take similar training.

Scholarships are awarded by the federal government to students of outstanding ability entering social work, and are in the amount of $2,000 annually. Fellowships are awarded by the federal government to persons accepted for doctoral studies and are in the amount of $4,000 plus a $500 dependant allowance annually. Necessary travel costs are also paid.

4. In 1963-64 $74,979 was provided for welfare research projects. In 1964-65 $100,000 will be made available for the same purpose.

5. In 1963-64 $25,676 was made available to the commission on education and personnel of the Canadian welfare council for a research project on the utilization of personnel. The purpose of this study is to determine how needed welfare manpower resources, both professional and non-professional, can be more effectively classified, developed, and deployed to provide needed social services within existing and future organizational patterns of welfare services. A renewal request has been received for 1964-65.

Questions

CONSTRUCTION OF PENITENTIARY, NORTHUMBERLAND CONSTITUENCY

Question No. 711—**Mr. Stenson:**

1. Is the Department of Justice contemplating the construction of a penitentiary in the constituency of Northumberland and, if so (a) what is the estimated cost (b) when will tenders be out for bid (c) how many buildings will the penitentiary comprise?

2. Would the Department of Justice look into the possibility of breaking this tender down into four or five individual contracts or tenders so that local contractors or subcontractors could see their way clear to bidding?

Mr. Deschatelets: 1. Yes, (a) $6,500,000. (b) It is hoped to call tenders in July 1964. (c) Twenty.

2. The Department of Public Works will call tenders and it would not be possible to break a tender down into separate contracts and still maintain the required co-ordination of construction. The water treatment plant will likely be tendered separately.

HELICOPTER OPERATION, PRINCE RUPERT, B.C.

Question No. 722—**Mr. Howard:**

1. With respect to the helicopter at Prince Rupert, B.C. what percentage of time has it been operational since being stationed there?

2. In an emergency such as that occasioned by an air-sea rescue operation, what notice is required before the said helicopter can be airborne?

Mr. Pickersgill: 1. The helicopter has been operational in excess of 50 per cent of time.

2. (a) Should the emergency arise during normal working hours the helicopter could be airborne within minutes. (b) For emergencies arising during holidays or week ends approximately one hour's notice would be required.

*SUPPLEMENTARY AND SPECIAL ALLOWANCES, ARMED FORCES OVERSEAS

Question No. 729—**Mr. Coates:**

1. What is the schedule of supplementary allowances and United Nations special allowances available to military personnel serving in Cyprus?

2. What is the schedule of supplementary allowances and United Nations special allowances available to military personnel serving in the Congo, Gaza strip, New Guinea, Indo-China and Pakistan?

3. What is the schedule of supplementary allowances available to military personnel serving in Soest, Germany?

Mr. Cardin: The answer to this question is as follows:

1. A special allowance of $69 per month is paid to all ranks serving in Cyprus. Foreign allowance is the same as that paid to all members of the armed forces while serving outside of Canada for a period in excess of 30 days, namely, brigadier (or equivalent), $49.50; colonel, $37.50; lieutenant colonel, $27; major, $24; captain, $18; lieutenant, $16.50; warrant officer I, $16.50; warrant officer II, $15; staff sergeant, $15; sergeant, $12; corporal, $9; private, $9.

[Miss LaMarsh.]

2 and 3. There has been no change in the schedule of allowances available to military personnel serving in the areas designated from that which appears in volume II of the public accounts of Canada for the fiscal year ended March 31, 1963, section 20, pages 23-25.

FEDERAL BUILDING, NEW GLASGOW, N.S.—LANDSCAPING

Question No. 737—**Mr. MacEwan:**

Is it the intention of the government to carry out landscaping and improvements to the area surrounding the new federal building at New Glasgow, Nova Scotia, during the year 1964-65 and, if so, what are the details of these improvements?

Mr. Deschatelets: No landscaping or improvements are planned at this location during the 1964-65 fiscal year.

RAIL INSTALLATIONS, PIER "C", PICTOU, N.S.

Question No. 738—**Mr. MacEwan:**

Is it the intention of the government to carry out rail installations on new pier "C" at Pictou, Nova Scotia, during the year 1964-65?

Mr. Deschatelets: It is not the intention of the Department of Public Works to carry out rail installations on new pier "C" at Pictou, Nova Scotia, during the year 1964-65.

The question of installation of rail lines on pier "C" at Pictou, Nova Scotia, is the responsibility of the Canadian National Railway. In considering the design for the construction of the wharf, the Department of Public Works made provision for installation of single lines on each side of the structure by leaving indentations in the concrete deck.

The railway company have placed rails on the south side, extending just past the outer end of the warehouse. The remaining indentations have been filled with oiled sand topped with asphalt to remove the hazard of open indentations to vehicular traffic on the structure. This filler material can be easily removed should additional rails be provided.

EXTERNAL AFFAIRS HEADQUARTERS BUILDING

Question No. 755—**Mr. Thompson:**

Does the government plan to construct a new headquarters building for the most important Department of External Affairs in time to mark the centennial of our nationhood and, if so (a) will attention be given to the necessity of selecting a site in a convenient and central area in uptown Ottawa at least as accessible as the new British high commission building (b) has consideration been given to the design of a structure containing the most up to date facilities and of a nature not less impressive than the building occupied by the British government in Canada?

Mr. Deschatelets: Yes, (a) yes; (b) yes.

METEOROLOGICAL STATION, CHICOUTIMI DISTRICT, QUEBEC

Question No. 756—**Mr. Côté (Chicoutimi):**

1. Is there a meteorological station with full-time personnel in the Chicoutimi district and, if so, where is it situated?
2. What is the cost of operating the station?
3. Are there any unremunerated meteorological observers?

[*Translation*]

Mr. Pickersgill: 1. Yes, there is a meteorological station with full-time personnel at R.C.A.F. station Bagotville. The professional staff at this meteorological station is provided by the Department of Transport and the observing staff by the Royal Canadian Air Force.

2. The portion of operating costs paid by Department of Transport is approximately $22,000 annually.

3. The meteorological observers are service personnel.

[*Text*]

*UNEMPLOYMENT INSURANCE RECIPIENTS

Question No. 761—**Mr. Ricard:**

How many Canadians were receiving unemployment insurance benefits on March 21, 1964?

Mr. Byrne: There is no figure available of the number of persons receiving unemployment insurance benefits on any particular date or in any month. The number of active claimants, that is the number of persons claiming benefit in Canada at 31 March, 1964 was 597,250. These figures are available on a monthly basis only and those for March are the latest.

HOSPITAL TREATMENT OF VETERANS

Question No. 774—**Mr. Harley:**

What proportion of patients in D.V.A. hospitals could be treated in other than active-treatment hospitals?

Mr. Teillet: Approximately 70 per cent.

*ESKIMOS AT CHURCHILL, MAN.

Question No. 781—**Mr. Granger:**

1. Are there any Eskimos living at Churchill, Manitoba?
2. Are these Eskimos deemed to be Indians and therefore under federal jurisdiction?
3. Do the Eskimo children attend school?
4. If so, who established the school and under what legislative authority?
5. Is the school subject to the laws of Canada or the laws of Manitoba?

Mr. Turner: 1. Yes.

2. This question as worded requests a legal opinion. Services for Eskimos are provided by the federal government under section 5 (b) of the Northern Affairs and National Resources Act and the relevant parliamentary appropriations.

3. Yes.

4. Department of National Defence in co-operation with the government of Manitoba; the Manitoba schools act.

5. The school was established and is administered in compliance with provisions of the Manitoba schools act.

*ADDITIONAL ASSISTANCE FOR ESKIMOS AND INDIANS IN LABRADOR

Question No. 782—**Mr. Granger:**

1. Between June 21, 1957, and April 22, 1963, did the Minister of Northern Affairs and National Resources receive any communication requesting additional federal assistance for the Indians and/or Eskimos in Labrador and, if so, on what dates?
2. What reply was given to any such request for assistance?

Mr. Turner: 1. Yes. Departmental files contain copies of letters dated March 26, 1959, January 20, 1960, April 28, 1960, December 29, 1960 and January 31, 1961.

2. The replies indicated that this matter was under consideration.

WATER LEVEL, LAKE NIPISSING

Question No. 810—**Mr. Aiken:**

1. Who controls the dam at the outlet of lake Nipissing in the province of Ontario?
2. What policy is followed in determining the water level of this lake?
3. What is the present water level as compared to 1963 and 1962?

Mr. Deschatelets: 1. Department of Public Works.

2. The department is responsible for the control of the level of the lake between elevation 642.0 and 642.5 during the navigation season. This, however, depends largely on the amount of water entering the lake. During the late fall and winter the lake is partially emptied in order to receive the increased inflow during the following spring freshet.

3. The water level on April 23, 1964, was 641.3. On the same date in 1963 it was 640.5 and, on the same date in 1962 it was 639.9.

TENDERS FOR BUOYS, TRANSPORT DEPARTMENT

Question No. 819—**Mr. MacEwan:**

1. Were tenders called for buoys for the Department of Transport under tender No. B-12284 and B-12285?
2. If so, what were the amounts of the tenders for each contract and the names of the tenderers?
3. To whom were the individual contracts awarded?
4. Was each contract awarded to the lowest tenderer and, if not, for what reason?

Mr. Pickersgill: 1. Tender for buoys for marine services in the maritimes was called by the Department of Transport under tender No. 8B-6029 (references B-12284 and B-12285 refer rather to Department of Transport purchase orders).

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2. Tender amount	Firm	Remarks
$56,678	Steel and Engine Products Ltd., Liverpool, N.S.	Quoted on all 16 items
55,550	Northern Machine Works Ltd., Bathurst, N.B.	Quoted on only 14 items, other 2 items estimated total $7,580.
69,177	Ocean Steel & Construction Ltd., Saint John, N.B.	Quoted on all items
7,580	H. K. Morrison & Sons Ltd., Mount Uniacke, N.S.	Quoted on only 2 items
17,061	Ferguson Industries Ltd., Pictou, N.S.	Quoted on only 3 items.

3. Individual contracts were awarded to: Steel and Engine Products Ltd., Liverpool, N.S.; Ocean Steel and Construction Ltd., Saint John, N.B.

4. Each contract was awarded to the lowest over-all tenderer.

*SOCIAL INSURANCE NUMBERS FOR M.P.'S

Question No. 825—**Mr. Knowles:**

Is it possible for members of the House of Commons to apply for social insurance numbers and, if so, how?

Mr. Byrne: Yes. The unemployment insurance commission has made arrangements with the Clerk of the House of Commons which will permit members of parliament to fill out an application form for a social insurance number.

Members will receive an application form in the mail from the Clerk which they may fill out and return to his office. A social insurance number will be issued in due course.

*PRESS CONFERENCE, PRIME MINISTER'S OFFICE, APRIL 17

Question No. 830—**Mr. Lambert:**

1. Was a press conference convened for Friday evening April 17 at the Prime Minister's office or at the office of any official on the Prime Minister's staff?

2. Did the Prime Minister attend this press conference and, if not, who did on his behalf?

3. Was attendance by reporters and commentators at this press conference by limited invitations or was there a general invitation extended to the members of the parliamentary press gallery to attend the press conference?

4. If invitations were of a limited number, what was this number and what were the criteria used to determine what reporters should be invited?

5. What was the nature of the press conference and what principal subjects were disclosed or discussed?

Mr. Davis: 1. There was no press conference, but Mr. R. O'Hagan, of the Prime Minister's staff, invited some newspaper reporters to his office for an informal meeting.

2. The meeting was also attended by Mr. T. Kent of the Prime Minister's office.

3 and 4. The number of reporters attending, by invitation, was ten. They were reporters who had previously asked Mr. O'Hagan a good many background questions about the pension negotiations; these questions had not been answered because the negotiations were in progress.

5. The topic discussed was the speculation which had been published in the press while the negotiations were in progress. No information was given which had not already appeared in speculative form.

Some hon. Members: Oh, oh.

Mr. Davis: The officials indicated which speculations it would be misleading for the reporters to pursue in the two days remaining before the Prime Minister's announcement of April 20.

TWELVE MILE FISHING LIMIT

Question No. 833—**Mr. Crouse:**

Does the Minister of Fisheries intend to introduce legislation within a week to impose a twelve mile fishing limit off the coast of Canada, and, if so, would he indicate whether ships belonging to countries which traditionally fished waters close to Canada would be allowed to operate between the three mile and nine mile boundaries?

Answer: Legislation to establish a twelve mile fishing limit is expected to be introduced within a few days.

As indicated in the Prime Minister's statement on June 4, 1963, full account is being taken of the interests of the countries affected and discussions are now proceeding with such countries with the view of reaching mutually satisfactory arrangements.

EXTERNAL AFFAIRS

CYPRUS—INTERFERENCE WITH CANADIAN MEMBERS OF PEACE KEEPING FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether in the last few days there has been an acceleration of the guerrilla attacks or interference with members of the United Nations force, with

particular reference to the Canadian contingent. Also, what representations were made by the secretary general of the United Nations in regard to these attacks? Furthermore, would the Prime Minister say what is the result, if any, of any representations that have been made by our acting high commissioner in Cyprus to President Makarios?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will ask the Secretary of State for External Affairs, who has been in close touch with these matters, to deal with my right hon. friend's question.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Canadian high commissioner accredited to Cyprus has been in touch with the government of Cyprus, including the vice president of that country. The military activity between the two groups over the past few days has been discussed between the Canadian ambassador at the United Nations and officers of the secretariat. The secretary general is in Paris today, and I believe that the mediator will be in touch with him before too long. I saw the secretary general on Friday last when some of these matters were discussed.

The United Nations force commander reports that the situation has now been steadied somewhat. General Gyani has on behalf of the force made strenuous representations to both sides to take immediate action to stop the fighting. The United Nations force has of course, not been involved in these incidents except for the patrol activities of the United Nations force.

The co-operation of both sides is being assiduously sought, and that co-operation is essential for the kind of stability we all would like to see on this strife torn island. But I may say that, in spite of the current difficulty, the presence of the United Nations force has prevented wholesale civil war on the island. It has prevented, up until this time, outside intervention, and it has made it possible for the United Nations mediator to begin his search for a solution. The commander of the force has been criticized by sections of the population on the island, but I want to say that the Canadian government and the other governments participating in the force have great confidence in General Gyani in the very difficult operation which he has the responsibility for directing.

Mr. Diefenbaker: Mr. Speaker, I would ask the minister to answer the question I asked earlier. Has there not been an acceleration of interference in the last few days? The minister said in the course of his remarks that as a result of the United Nations force, external intervention had been prevented. Whose intervention did he have in mind in that connection?

Mr. Martin (Essex East): Mr. Speaker, I am sure the right hon. gentleman knows what I had in mind. This is a very difficult operation and one has got to choose one's words carefully unless one wants to add to the turmoil and the difficulty. When I say that, I am not suggesting that the right hon. gentleman does not share my concern and caution, but I am sure he will not mind if I remind him of the need for care.

Mr. Diefenbaker: Mr. Speaker, I would also remind the hon. gentleman of something else, in question form. Does he not consider that the statement he has continually repeated with regard to what the United Nations force has done to date has not been borne out completely by the facts?

Mr. Martin (Essex East): Mr. Speaker, if it were not for the fact that my right hon. friend has had very considerable experience in these matters, particularly with regard to the Congo, I would not in my reply make the appeal I am now making to him. I am sure he will recognize that if it were not for the United Nations intervention the situation at this time on the island would be much more difficult, and it is my duty to remind the house of this fact.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. I am sure all hon. members recognize the difficulty of the situation that obtains in Cyprus, and we have no desire at all to make it more difficult. I should like to ask the minister about the report to the effect that a Canadian armoured car was fired upon by certain Cypriots. The story is that the firing ceased as soon as those responsible were informed of the fact that it was occupied by United Nations troops.

I should like to ask the minister first of all if the report is accurate. If it is, what is the reason that the armoured car was not properly and clearly marked? Is the minister taking any steps to see that in future vehicles used will be clearly marked so that someone will not be killed merely because of the absence of proper markings on these vehicles?

Mr. Martin (Essex East): Mr. Speaker, as soon as I have more precise information on which I can rely, I shall be glad to give it to the house and to my hon. friend. I hope that will be tomorrow.

CYPRUS—PERIOD OF SERVICE OF CANADIAN TROOPS

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): I should like to address a question in French to the deputy prime minister.

[*Translation*]

I should have liked to know whether the secretary general of the United Nations has asked Canada to extend the stay in Cyprus of its troops beyond three months, and whether it is the minister's intention to consult again the Canadian parliament in order to authorize that extension?

[*Text*]

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, with regard to the first part of the question I would say that, under our parliamentary government in Canada there is no deputy prime minister. In the particular situation, Canada seems to be very happy and secure in the office and in the person of the present Prime Minister.

[*Translation*]

As far as the second part of the question is concerned, I must inform my hon. friend that I answered that question a few days ago.

[*Text*]

Mr. Heward Grafftey (Brome-Missisquoi): May I ask a supplementary question; and before I pose my supplementary question I should like to make it clear that I am asking the question only as it relates to public business and government affairs. I should like to ask the Prime Minister if he would inform this house specifically what is entailed in the new position of the Minister of Justice, and how it affects government and public business.

Right Hon. L. B. Pearson (Prime Minister): This is a matter that affects the Liberal party, and I am delighted to announce to the house that my hon. friend the Minister of Justice is now the leader of the Liberal caucus in our party.

Some hon. Members: Oh, oh.

Mr. Pearson: I should have said for the province of Quebec, Mr. Speaker.

An hon. Member: It makes a difference.

Hon. Paul Martineau (Pontiac-Temiscamingue): May I ask a supplementary question. In view of the new position given to the Minister of Justice, will the Prime Minister be making him his seatmate in this house?

Mr. Pearson: He is already as close to me as he can get.

Mr. Howard: Well, it is good to know that somebody is trying to lead the Liberal party.

VIET NAM—POSSIBLE RESULT OF U.S. POLICY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. In view of the statement made by Senator Morse of the United States Senate that the United States, under the leadership of defence secretary McNamara, is fighting an illegal and unwise war in Viet Nam, and the growing criticism of the actions of the United States in that area, has the government of Canada expressed its concern to the government of the United States as to the possibility of their actions provoking greater conflict in the Far East as a consequence of recent reported developments?

Mr. Speaker: Order. In spite of the great interest in and importance of this question, would the hon. gentleman put it on the order paper; because it probably requires a detailed and certainly a lengthy answer.

Mr. Herridge: I should like to place it on the order paper for debate at ten o'clock.

PENSIONS

CANADA PLAN—CONSIDERATION BY NATIONAL ECONOMIC COUNCIL

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the apparent delay in the implementation of the Canada pension plan, will he refer the details of the plan to the national economic council for their study and their views on what further improvements can be made in it?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, subject to further consideration which I will be glad to give to my hon. friend's question, my first reaction is that such a course would not be helpful and that it might delay implementation of the plan for too great a time.

LABOUR CONDITIONS

REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should have liked to direct a question to the Minister of Labour, but in his absence I shall direct it to his parliamentary secretary.

Did the minister receive, during the week end, a request from the Quebec minister of municipal affairs and the association of mayors and municipalities of the Saguenay-Lake St. John area for an extension of the winter works program past April 30?

[*Text*]

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in the absence of the Minister of Labour may I say that I will bring this question to his attention for consideration tomorrow.

CONSIDERATION OF REPORT "EMPLOYMENT AND MANPOWER UTILIZATION IN NEW BRUNSWICK"

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the parliamentary secretary to the Minister of Labour. Will the report entitled "Employment and Manpower Utilization in New Brunswick" be made available to those interested here in Ottawa and, at the same time, will the government state what it plans to do about this very revealing document which shows the urgent need for jobs in New Brunswick?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): I will bring this important question to the attention of the minister when he arrives this afternoon.

UNEMPLOYMENT INSURANCE

REPORTED DISCREPANCY IN NUMBERS OF RECIPIENTS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I had a question for the Minister of Labour but in his absence I shall direct it to the Prime Minister. In view of the fact that some 597,000 people are drawing benefits from the unemployment insurance fund while the dominion bureau of statistics lists some 475,000 people as unemployed, will the Prime Minister investigate this matter and inform the house if some 125,000 people are drawing benefits while fully employed?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to bring this matter to the attention of the minister.

FISHERIES

NORTH PACIFIC COMMISSION—INQUIRY AS TO THIRD MEETING

On the orders of the day:

Mr. Frank Howard (Skeena): On Thursday last I asked the Minister of Fisheries about a proposed third meeting of the north Pacific fisheries commission. At that time the minister indicated the date had not been set and, if I could paraphrase the minister's remarks, he indicated that it would be held at the earliest possible moment. Over the week end I received a copy of *The Fisherman* for April 17, in which the deputy minister, Dr. Needler, is reported as having told a committee of the fishermen's union that north Pacific fisheries treaty negotiations would likely take place next summer, possibly in July. I wonder if the minister can indicate whether that is the earliest date possible to which he referred the other day.

Hon. H. J. Robichaud (Minister of Fisheries): I want to assure the hon. member we are just as anxious as he is to have this third meeting of the parties involved in the north Pacific treaty so that we can arrive at a final and decisive agreement. No definite date has yet been set, although we are trying to have the Japanese government accept a date in July.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO LEGAL STATUS OF COMMUNIST PARTY

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, may I direct a question to the Minister of Justice?

Would the minister inform the house if the communist party is legally recognized as such in Canada, in view of the fact that it submitted a brief to the royal commission on banking?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I feel that the answer to that question is known by all and I wonder if, by answering it, I would not be giving once again a legal opinion. On the other hand, if I had to give such an opinion, I would say no, it is not a legal party.

[*Later:*]

[*Text*]

Mr. R. W. Prittie (Burnaby-Richmond): I would like to ask the Minister of Justice to clarify his previous answer to the hon. member for Chicoutimi. I think the translator may have misinterpreted him by saying the communist party is illegal.

Mr. Favreau: It is not an illegal party.

FINANCE

IMPLEMENTATION OF RECOMMENDATIONS OF ROYAL COMMISSION

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): I should like to address a question to the Minister of Finance and ask him if it is the intention of the government to introduce measures to implement some or all of the recommendations contained in the report of the royal commission on banking and finance.

Inquiries of the Ministry

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I do not believe hon. members would wish me to comment in any way on the very detailed and extensive report that was tabled in the house on Friday. It will be given the most careful consideration by the government, and those sections of it or all of it that the government may wish to recommend to the house in the form of legislation will be brought forward at the proper time.

PROCEDURE RESPECTING REFUNDS OF SALES TAX

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a question for the Acting Minister of National Revenue. I have here a letter from a constituent complaining about the difficult procedure involved in applying for a refund of the 8 per cent tax on building materials in cases where such a refund is allowable. Has the minister received similar complaints and, if he has, is his department considering revising the method of refund application to make it less difficult for small contractors to supply the necessary information?

Hon. G. J. McIlraith (Acting Minister of National Revenue): I presume the hon. member's question has reference to the refunds obtainable in connection with educational institutions?

Mr. Pascoe: Yes.

Mr. McIlraith: If that is so I have not received any complaints that I can recall, but we have been looking into this subject and the procedures for obtaining refunds have been changed. New procedures either have been announced in the last day or so or will be announced in a very short time.

DEVELOPMENT OF UNIFORM STANDARDS OF SECURITIES LEGISLATION

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Minister of Justice. I wonder whether the minister would consider convening a conference of appropriate provincial ministers to assist—and here I quote the royal commission on banking and finance:

> —to encourage the development of high and uniform standards of security legislation and regulation in Canada?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, this of course is a matter of government policy, but I would be pleased to consider the hon. member's question.

[Mr. Grafftey.]

POLICY RESPECTING U.S. INVESTMENT IN CANADA

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I wish to direct a question to the Minister of Finance. Does he intend to change the Canadian policy respecting American investments despite the opinion and the warnings given Saturday by Mr. George Ball, under secretary of state of the United States?

[*Text*]

Mr. Speaker: I wonder whether the hon. member would put this question on the order paper. It is very important, but it would probably require a long and detailed answer.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question which does not require detail. Is the Minister of Finance asking for clarification of the statement made by Mr. Ball, as to whether it reflects the opinion of the United States government?

Hon. Walter L. Gordon (Minister of Finance): Mr. Ball did use some expressions which I would describe as being on the vigorous side, but I think perhaps hon. members would be interested in a sentence in his speech which was used to introduce the subject. He said:

> Canadian policy is firmly committed to the preservation of an independent and separate national economy. As far as the United States is concerned this is a decision of the Canadian government and of the Canadian people. It is a decision we respect.

I do not think I need add anything to that.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In view of the fact that the minister has chosen to read from a document which is, apparently, the speech in question, would he not now table that document so the rest of us can see whether the context actually accords with the particular selective portion which the hon. gentleman has drawn to the attention of the house?

Mr. Speaker: Would the hon. minister table the document from which he was reading?

Mr. Gordon: Yes, Mr. Speaker.

Mr. Douglas: May I still ask the Minister of Finance to reply to my supplementary question. Are any representations being made to the United States government to see whether the criticism of this policy which Mr. Ball embarked upon represents the views of the United States government?

Mr. Gordon: We are having a meeting on Wednesday and I, for one, would be most surprised if this subject were not given a good airing.

Mr. A. B. Patterson (Fraser Valley): I should like to raise a question with regard to the procedure we are now following. The question asked by the hon. member for Quebec-Montmorency was ruled out of order, or at least he was requested to put it on the order paper. Now supplementary questions are being answered on the same subject.

Mr. Speaker: I should like to say that I was a little surprised, but pleased, that the Minister of Finance had a short statement to make. I felt I had done a slight injustice to the hon. member for Quebec-Montmorency. In reparation for the damage done, if he has any supplementary question he would like to ask, now is the time to put it.

[*Translation*]

Mr. Marcoux: I wish to repeat the question I asked him a few minutes ago.

[*Text*]

Mr. Gordon: If I have not made it clear I would like to do so. There is no thought or intention of changing Canadian policy on this matter.

INQUIRY AS TO REVISION OF BANK ACT

On the orders of the day:

Mr. G. W. Baldwin (Peace River): I have a question for the Minister of Finance supplementary to the one asked by the hon. member for Brome-Missisquoi. Now that the report of the royal commission on banking and finance has been filed, is the government still of a mind to proceed with a one year extension of the existing Bank Act rather than consider the decennial revision which normally would come into effect this year?

Hon. Walter L. Gordon (Minister of Finance): The government intends to proceed with the reference which is on the order paper relating to a one year extension. Otherwise the Bank Act would have to be revised and the whole proceedings completed before June 30. In view of the importance of this royal commission report I think all interested parties should have an opportunity to study it and make their representations before the revision of the Bank Act is completed.

Mr. Baldwin: A further supplementary question. In view of the fact that there is to be this delay in making the decennial revision, is the government of the view that the applications for new bank charters now pending should await the decennial revision?

Mr. Gordon: Some of these applications are presently before the Senate committee on banking and commerce and I think it would be inappropriate for me to comment on how that committee should operate.

SUGAR

REQUEST FOR RECONSIDERATION OF LONG TERM CONTRACTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I should like to direct a question to the Minister of Trade and Commerce. In view of the fact that three sugar refineries in Montreal have just announced an increase of 30 cents per hundred pounds in the price of sugar, is the minister prepared to review his consideration concerning the negotiating of long term agreements on sugar imported into this country for the protection of the Canadian consumer?

Mr. Speaker: Will the hon. member put this question on the order paper? It requires a rather lengthy and detailed answer, it seems to me.

Mr. Douglas: Then may I ask the Minister of Justice a question which is of more pressing importance. In view of the fact that three refineries have simultaneously announced this increase, is the restrictive trade practices branch looking into the matter to see if there is collusion in the matter of raising prices simultaneously?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the answer to this question involves the principle concerning all questions relating to investigations being made or work under way by the restrictive trade practices commission or the director of investigation and research. The policy has been stated in this house in the past, and it is to the effect that it is not the practice to state whether, in a given case with regard to given individuals or corporations, any investigation is or is not under way. I believe public policy would dictate that the same answer be given at the moment.

LABOUR RELATIONS

GREAT LAKES—RECOMMENDATION BY COUNSEL RESPECTING PROSECUTION OF MCLAUGHLIN

On the orders of the day:

Hon. Guy Favreau (Minister of Justice): I should like now to answer a question put to me on April 22 by the hon. member for Bow River. The question was:

> In the report prepared by counsel with regard to the investigation of certain officers of the S.I.U., was there a recommendation made with regard to McLaughlin, who is about to ascend to the presidency of the S.I.U., that he too be prosecuted as was Mr. Banks?

The answer is as follows. No recommendation was made by counsel to prosecute McLaughlin for any offence, except that of conspiring with Banks and others to persuade seamen to absent themselves from their duties on their ships, contrary to section 268 of the Canada Shipping Act. The action relates to the occasion of a demonstration in Ottawa in October, 1963. Mr. McLaughlin has been so charged.

Mr. Eldon M. Woolliams (Bow River): May I ask a supplementary question. I wonder if the minister would mind disclosing to the house on what date McLaughlin was charged?

Mr. Favreau: This, including the contents of the charge referred to, is a matter which is presently sub judice. I do not believe, under paragraph 2(d) of the new order regulating the procedure of the house, any further comment would be in order. But if it is only the actual date of the charge that my hon. friend is looking for, I do not believe this would be comment, and in respect to this I will undertake to give it.

Hon. Michael Starr (Ontario): Mr. Speaker, I have a supplementary question for the Minister of Transport on the same subject. Can the minister advise us when he expects to bring in amendments to the Canada Shipping Act and the St. Lawrence Seaway Act, as recommended by Mr. Justice Norris?

Hon. J. W. Pickersgill (Minister of Transport): No, sir, I cannot advise the house of that because the matter is still under consideration by an interdepartmental committee and, as the former minister of labour would of course surmise, the primary interest in this matter is in the Department of Labour and not in my department.

Mr. Starr: As a further supplementary question, when does the minister anticipate the work of the interdepartmental committee will be finished to the point where amendments can be introduced to both acts?

Mr. Pickersgill: Not being a lawyer, like the hon. gentleman, I would hate to predict how long it would take the lawyers to say what kind of legislation would be appropriate in the circumstances.

Mr. Starr: Mr. Speaker, I rise on a question of privilege. After careful consideration of the words used by the Minister of Transport concerning his and my professions in life, I must immediately set the record straight; and if there is any indication that the Minister of Transport said that I was a lawyer I must categorically deny that.

Mr. Pickersgill: Mr. Speaker, I was seeking to imply that neither of us was.

[Mr. Favreau.]

SHIPPING

NEGOTIATIONS WITH U.S. RESPECTING GREAT LAKES WATER LEVELS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the question of the low water levels on the great lakes is causing continuing concern which has become greater in the last two or three days. Some three weeks ago I endeavoured to ascertain what was being done and whether communications had taken place between Canada and the United States. I now ask the Prime Minister what communications have passed between the two countries in this regard as to action to be taken; has the international joint commission been in session in this regard in the last few days; and what recommendations has it made to meet this matter of transcendent importance to navigation and also to tourist camps and the like on the great lakes?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not know whether there have been any developments on this very important matter since my reply a few days ago, when I tabled the report of the international joint commission, but I will look into the matter and see if there have been such developments. This is something we should take up, and will take up, at the Canada-United States ministerial meeting which opens on Wednesday.

Mr. Diefenbaker: In that connection, while the Prime Minister will not indicate in detail what he intends to do, is it his purpose to bring about a joint effort between the United States and Canada to meet this problem, which is a most serious one and one that requires immediate attention?

Mr. Pearson: It is certainly most serious, Mr. Speaker, and it does require international co-operation. We hope we can secure that kind of co-operation to deal with it.

INCOME TAX

EXEMPTIONS FOR CHILDREN 16 AND 17 YEARS OLD

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Acting Minister of National Revenue. Does the minister propose to amend the Income Tax Act to clear up the apparent anomaly that exists in the school allowance tax exemption as between Quebec and the other nine provinces, with respect to the parents of children aged 16 to 17 years?

Hon. G. J. McIlraith (Acting Minister of National Revenue): Mr. Speaker, that being a matter having to do with the legislation, it would not come within the responsibility of the Minister of National Revenue.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWERS TO QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. Jack A. Irvine (London): Mr. Speaker, I have a question for the Minister of Transport. I would like to ask the minister when I might expect answers to questions 205, 206 and 207 of February 26? This is the 61st day of decision for these questions.

Hon. J. W. Pickersgill (Acting Secretary of State): As soon as the answers are ready, sir.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Well, Mr. Speaker, I realize that, as you have stated, one cannot rise on a question of privilege excepting within limitations, but the record shows questions going back to February 20, questions Nos. 109, 118, 135 and so on, questions that can be answered and should be answered. In addition, starred questions that have not been answered for days constitute a matter that deserves the attention of the house. I do not know who is acting as Secretary of State today—

Mr. Pickersgill: I am.

Mr. Diefenbaker: —but I would ask him to look over these questions because the delay has gone beyond what could be achieved except by inattention.

Mr. Pickersgill: That will be done, sir; and I think, as was said by the Secretary of State the other day, if the right hon. gentleman would compare our record in answering questions with that when he was in office, he would find it has been a much better record and, what is more, this government does not make questions orders for returns merely to get them off the order paper so they may be buried for months and years.

Mr. Diefenbaker: I rise immediately to answer that and point out that there are ten questions from last session not answered, passed as orders for returns, because one or two of them will be embarrassing to the government.

AIR TRANSPORT

RENEGOTIATION OF BILATERAL AGREEMENTS WITH U.S.

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. Does the government now have a policy with respect to air travel between Canada and the United States? If so, will this policy be presented to parliament at an early date?

Some hon. Members: Order paper.

Mr. Speaker: I think I should explain that the question is not asking for details of policy.

Hon. J. W. Pickersgill (Minister of Transport): I think the matter is very clear. It was announced in the newspapers, and I believe also in the house, that negotiations for certain changes in the bilateral arrangements are going on. They started today.

Mr. Gene Rhéaume (Northwest Territories): As a supplementary question, can the minister announce the regional air carriers' policy which we have been waiting for, for months?

Mr. Pickersgill: Whenever the policy has been devised.

Mr. Knowles: My question to the minister was when will he announce any policy of this nature in the house. It is not good enough to see it in the newspapers.

Mr. Pickersgill: Mr. Speaker, I would say the hon. gentleman is rather mixed up in his terms. There is no question of a policy. The policy on which we are operating in our negotiations with the United States is to get the maximum advantage for Canada. What we are seeking to do is renegotiate these bilaterals in a fashion that we hope will be more equitable to Canada. When any agreement is reached it will be announced in the house, but I would hate to anticipate the agreement before it is reached.

EDUCATION

LEGISLATION RESPECTING SCHOLARSHIPS— LOANS TO STUDENTS

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): My question is directed to the Prime Minister. Because of the deep interest felt by many thousands of young Canadians in the student loan plan, and in view of the promised ten thousand scholarships and the urgency of legislation in this field, would the Prime Minister indicate whether we can expect that this measure will be brought up for consideration in the immediate future?

Right Hon. L. B. Pearson (Prime Minister): The first part of the question will be dealt with very shortly, I hope, as soon as the arrangements have been completed with the provinces so they can carry out their part of the policy. As to the second part of the

question, legislation is not likely to be possible this session, but this is still part of our platform for action.

TRADE

BREAD—PROPOSED PROHIBITION OF IMPORT INTO NEW YORK STATE

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): At the beginning of March I was asked some questions about legislation in New York state which would have had the effect of prohibiting sales of Canadian bread in that state. In order to clear the record I wish to inform the house that Governor Rockefeller has vetoed the bill.

NATIONAL CAPITAL COMMISSION

APPOINTMENT OF MEMBER FROM TRURO, N.S.

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I have a question for the Minister of Public Works in reference to the announcement made over the week end of appointments to the national capital commission. I note that the minister is not present, and in his absence may I direct the question to the acting minister. Would the hon. gentleman advise us whether the appointment of Mrs. Margaret F. Norris of Truro was made on the basis of qualifications or whether it was because of the fact that she was president of the Nova Scotia Liberal association from 1959 to 1962, according to the Ottawa *Journal*, and that she is also a defeated Liberal candidate?

Mr. Speaker: Order. It does strike me that this question, though interesting, certainly is not exactly urgent.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Minister of Justice. Could he confirm the statement he made yesterday to the effect that he would be the government's chief spokesman to federal members from Quebec and not the spokesman for Quebec federal members within his government? Is that what he said in the presence of newspapermen, as reported here, in *Le Devoir*?

Hon. Guy Favreau (Minister of Justice): The Prime Minister answered that question a while ago in reply to one put to him by the hon. member for Pontiac-Temiscamingue (Mr. Martineau).

[Mr. Pearson.]

[*Text*]

LOTTERIES

INQUIRY AS TO AMENDMENT OF CRIMINAL CODE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Justice to see whether he has any influence.

Considering the distinct promise made by several Liberal candidates from the province of Quebec during the last election campaign, does the minister intend to amend the criminal code to allow the provinces who want to, to have lotteries or sweepstakes?

[*Text*]

Mr. Speaker: Would the hon. member put this on the order paper?

Mr. Pigeon: I want to discuss this at ten o'clock next Thursday.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureux in the chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

1. That for the 1964 and subsequent taxation years the deduction from income granted in respect of certain tuition fees be extended to include tuition fees paid by a taxpayer who is a student, whether or not he is a full time student, to an educational institution in Canada

(a) that is a university, college or other educational institution providing courses at a post-secondary school level,

(b) that is a school operated by or on behalf of Her Majesty in right of Canada or a province, a municipality in Canada, or a municipal or public body performing a function of government in Canada,

(c) that is a high school or secondary school providing courses leading to a secondary school certificate or diploma that is a requirement for entrance to a college or university, or

(d) that is certified by the Minister of Labour to be an educational institution by which courses are conducted that provide or improve the qualification of a person for employment or for the carrying on of a business or profession,

if the tuition fees paid by the taxpayer for the year exceed $25.

2. That for the 1964 and subsequent taxation years a dependant in respect of whom a taxpayer may deduct an amount not exceeding $550 in computing his taxable income shall include a taxpayer's brother or sister who was 21 years of age or over and in full time attendance at a school or university.

3. That the period commencing on December 5, 1963 within which a new manufacturing or processing business must have commenced manufacturing or processing in reasonable commercial quantities in a designated area in order to obtain a certificate for the purposes of section 71A of the act be extended to March 31, 1967.

4. That for the 1964 and subsequent taxation years in determining whether 95 per cent of the

assets used in a business were new and situated in a designated area, for purposes of establishing under section 71A of the act that a person was carrying on the business in a designated area, the value of the assets shall be their fair market value notwithstanding that such value may be different from their capital cost.

5. That where at a time when an area was a designated area a business has been certified to be a new manufacturing or processing business, or an application has been made in writing to the Minister of Industry by a taxpayer in respect of a business that upon the fulfilment of specified conditions would be certified to be a new manufacturing or processing business in the designated area, that area, notwithstanding that it may no longer be a designated area, shall for the purpose of the application of section 71A of the act to that particular business continue to be a designated area.

6. That for the 1962 and subsequent taxation years a taxpayer may deduct in computing income all expenditures of a current nature for scientific research carried on outside Canada that are expenditures made in the year

(a) for scientific research related to the taxpayer's business directly undertaken by or on behalf of the taxpayer, or

(b) to an approved association, university, college, research institute or other similar institution to be used for scientific research related to the taxpayer's business.

7. That for the 1964 and subsequent taxation years a taxpayer may deduct in computing income amounts expended by him in relation to an objection to an assessment or an appeal from an assessment and shall include in computing income any costs recovered in respect thereof.

8. That for the 1964 and subsequent taxation years a taxpayer may deduct in computing income an amount paid in the year or in a previous year since 1962 as a contribution to or under a registered pension fund or plan in respect of services rendered by him in past years while he was a contributor even if he also deducts an amount as a contribution in respect of services rendered by him in past years while he was not a contributor, but the maximum amount deductible in a year in respect of past services while he was a contributor shall not exceed $1,500 minus the aggregate of the amounts deducted in the year in respect of services rendered by him in the year and in respect of services rendered by him previous to the year while he was not a contributor.

9. That for the 1964 and subsequent taxation years the period of 60 days from the end of a year within which an employer may pay an amount to or under a registered pension fund or plan in respect of services rendered by his employees be increased to 120 days.

10. That for the 1964 and subsequent taxation years it be made clear that any amount received by an employer upon the winding up or reorganization of a pension fund or plan shall be included in his income.

11. That for the 1964 and subsequent taxation years subsection (3) of section 12 of the act, which provides rules concerning an outlay or expenses payable by a taxpayer to a person with whom he was not dealing at arm's length, be amended so that a taxpayer who at the end of his taxation year has a liability that

(a) arose in respect of a non-arm's length transaction,

(b) was deductible in computing his income, and

(c) has been outstanding for two years following the end of the taxation year in which it accrued must include in income for the third year after it accrued an amount equal to the liability, unless the debtor and creditor sign and file an agreement in which they elect to have their taxes computed as though the debt had been paid and replaced by a loan on the first day of that third year.

12. That the 20 per cent rate of tax payable by a non-resident person on dividends paid or credited to him after 1964 by a corporation resident in Canada that does not have a degree of Canadian ownership be reduced to 15 per cent, and that in consequence thereof:

(a) Part IID of the act imposing a tax equal to 5 per cent of certain dividends paid by a corporation that does not have a degree of Canadian ownership be repealed;

(b) the 20 per cent rate of tax imposed by part IIIA of the act on income earned after 1964 by a non-resident corporation carrying on business in Canada be reduced to 15 per cent; and

(c) the 20 per cent rate of tax imposed on the taxable income earned after 1964 by a non-resident-owned investment corporation be reduced to 15 per cent.

13. That for the 1964 and subsequent taxation years, where a taxpayer has disposed of his interest in a partnership, such part of the consideration as is reasonable in the circumstances shall be deemed to be proceeds of disposition of depreciable property of the taxpayer used in the partnership business.

14. That for the 1964 taxation year the amount deductible in computing taxable income in respect of a dependant child who was over 15 and under 18 years of age at the end of the year shall not exceed $470 if an allowance was paid under the Family Allowances Act in respect of the child for any month after the month in which he attained the age of 16 years.

15. That for the 1965 and subsequent taxation years, a child shall be regarded as a child qualified for family allowance for any year at the end of which he was over 15 and under 18 years of age, if an allowance under the Family Allowances Act was paid in the year in respect of that child after the month in which he attained the age of 16 years.

16. That with regard to the definition of degree of Canadian ownership in section 139A of the said act, the said measure provide as follows:

"(1) Subparagraph (ii) of paragraph (a) of subsection (1) of section 139A of the said act is repealed and the following substituted therefor:

"(ii) either

(A) not less than 25 per cent of the issued and outstanding shares of the corporation having full voting rights under all circumstances were owned by one or more individuals resident in Canada, one or more corporations controlled in Canada or a combination thereof, and equity shares representing in the aggregate not less than 25 per cent of that part of the paid-up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation were owned by one or more individuals resident in Canada, one or more corporations controlled in Canada, or a combination thereof, or

(B) a class or classes of shares of the corporation having full voting rights under all circumstances were listed on a prescribed stock exchange in Canada, and it is established in prescribed manner that no one non-resident person and no one corporation that did not comply with clause (A) of this subparagraph owned more than 75 per cent of the issued and outstanding shares of the corporation having full voting rights under all circumstances, alone or in combination with any other person related to such non-resident person or such

corporation at any time within the period within the meaning of subsection (5a) or (5b) of section 139, and a class or classes of equity shares of the corporation representing in the aggregate not less than 50 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation were listed on a prescribed stock exchange in Canada, and it is established in prescribed manner that no one non-resident person and no one corporation that did not comply with clause (A) of this subparagraph owned equity shares representing in the aggregate more than 75 per cent of that part of the paid up capital of the corporation that was presented by all the issued and outstanding equity shares of the corporation, alone or in combination with any other person related to such non-resident person or such corporation at any time within the period within the meaning of subsection (5a) or (5b) of section 139, and"

(2) Subsection (1) of section 139A of the said act is further amended by striking out the word "or" at the end of paragraph (a) thereof, by repealing paragraph (b) thereof and by substituting therefor the following paragraphs:

"(b) the corporation complied with the conditions specified in subparagraphs (i) and (iii) of paragraph (a) and was a subsidiary wholly-owned corporation subsidiary to a corporation that throughout the sixty day period complied with the conditions specified in paragraph (a) or (c); or

(c) the corporation complied with the conditions specified in subparagraphs (i) and (iii) of paragraph (a) and was a subsidiary controlled corporation

(i) having issued and outstanding equity shares none of which were owned by a person other than

(A) the corporation to which it was subsidiary,

(B) a non-resident person not related to the corporation to which it was subsidiary,

(C) an individual resident in Canada, or

(D) a corporation controlled in Canada, and

(ii) subsidiary to a corporation that throughout the sixty day period complied with the conditions specified in paragraph (a) or (b)."

(3) Paragraphs (a) and (b) of subsection (2) of section 139A of the said act are repealed and the following substituted therefor:

"(a) a corporation that has share capital is not controlled in Canada at a particular time unless at that time the corporation is resident in Canada, and more than 50 per cent of its issued and outstanding shares having full voting rights under all circumstances, and shares representing in the aggregate more than 50 per cent of its paid up capital are owned by

(i) individuals resident in Canada,

(ii) corporations resident in Canada with respect to each of which (A) more than 50 per cent of the issued shares having full voting rights under all circumstances, and

(B) shares representing in the aggregate more than 50 per cent of the paid up capital

are owned by individuals resident in Canada, or

(iii) any combination of individuals or corporations described in subparagraph (i) or (ii);

(b) where

(i) a non-resident person,

(ii) a corporation that does not have a degree of Canadian ownership, or

(iii) a corporation that is related to a non-resident person within the meaning of subsection (5a) or (5b) of section 139

has a right under a contract in equity or otherwise either immediately or in the future and either absolutely or contingently, to, or to acquire, equity shares in a corporation, those shares shall

[Mr. Pigeon.]

(iv) unless the right is contingent upon an event that it is not reasonable to expect to occur within a reasonable time, or

(v) unless the right is such that a reasonable man concerned only with the value of the shares would not exercise it,

be deemed

(vi) to be owned by the person who has the right,

(vii) to be owned by a non-resident person, where the person who has the right is a corporation described in subparagraph (ii) or (iii) and

(viii) where the shares are unissued,

(A) to be issued and outstanding, and

(B) to have a paid up capital value, with respect to each share, equal to

1. the par value, where the shares have a par value,

2. the amount that would be paid with respect to each share to exercise the right under the terms of the contract, where the shares have no par value and amount is specified in the contract, or

3. the market value at the end of the relevant sixty day period of a share of the class of shares of that corporation that is most closely similar to that share, where the shares have no par value and no amount is specified in the contract,

and any other person who actually owns the shares in respect of which that right exists shall be deemed not to own those shares."

(4) Subsection (2) of section 139A of the said act is further amended by striking out the word "and" at the end of paragraph (c) thereof and by adding thereto the following paragraphs:

"(e) "equity share" means

(i) a share, the owner of which has, as owner thereof, a right

(A) to a dividend, and

(B) to a part of the surplus of the corporation after repayment of capital, upon the redemption of the share, a reduction of the capital of the corporation or the winding up of the corporation, as great as the right of the owner of any other share of the corporation, when the magnitude of the right in each case is expressed as a rate based on the paid up capital value of the share to which the right relates, and

(ii) a share, the owner of which has, as owner thereof, a right

(A) to a dividend, after a dividend at a rate not in excess of 8 per cent per annum has been paid to the owners of shares of a class other than the class to which that share belongs, and

(B) to a part of the surplus of the corporation after repayment of capital, upon the redemption of the share, a reduction of the capital of the corporation or the winding up of the corporation, after a payment of a part of the surplus at a rate not in excess of 10 per cent has been made to the owners of shares of a class other than the class to which that share belongs, as great as the right of the owner of any other share of the corporation, when the magnitude of the right in each case is expressed as a rate based, on the paid up capital value of the share to which the right relates; and

(f) "paid up capital value" with reference to a share, means

(i) in the case of an unissued share that is deemed by paragraph (b) to be issued and outstanding, the amount determined under clause (B) of subparagraph (viii) of that paragraph, and

(ii) in any other case, an amount equal to the paid up capital of the corporation that is represented by the shares of the class to which that

share belongs divided by the number of shares of that class that are in fact issued and outstanding."

(5) In the case of a taaxtion year commencing before January 1, 1965, of a corporation that would have had a degree of Canadian ownership in the 1964 taxation year if section 139A of the said act had not been amended by this act, that portion of subsection (1) of section 139A of the said act, as amended by this act, that precedes paragraph (a) thereof shall, if the corporation elects in prescribed manner before January 1, 1965, be read as follows:

"139A. (1) For the purposes of this act, a corporation has a degree of Canadian ownership in a taxation year if throughout any sixty day period commencing after March 16, 1964 and ending before January 1, 1965"

(6) This section is applicable to the 1964 and subsequent taxation years."

and for the purpose of determining whether a corporation had a degree of Canadian ownership for the purposes of paragraph (b) of subsection (1a) of section 106 the the said act, section 139A of the said act shall

(a) in relation to any dividend declared on or before March 16, 1964 be read as if it had not been amended by the said measure, and

(b) in relation to any dividend declared after March 16, 1964 be read as amended by the said measure.

Hon. Walter L. Gordon (Minister of Finance): Before the committee begins to consider the income tax resolution in detail I think it might be helpful if I were to give an outline of the proposals before us. It may be helpful if I do so in some detail in order to provide members of the committee with a general understanding of what is involved. I shall, of course, be glad to go into more extended detail on any particular item when the time comes. However, as much of this resolution is highly technical, a broad, general description at the beginning may be helpful.

Although there is only one income tax resolution, it is divided into 16 paragraphs, and it has been customary in the past for the committee to consider each paragraph in turn. Of the 16 paragraphs, nine propose relieving amendments, one is partly relieving, four propose legislation to correct the law where it has been found to have unintended results, and two paragraphs might be described as consequential since they relate to the proposed extension of the payment of family allowances.

Under the proposed new arrangement with the provinces announced by the Prime Minister on April 20, the room made available for the provinces to impose their own income tax on individuals without increasing the total tax load from that source will be increased for the 1965 and the 1966 taxation years. Provision for this should be made in this year's amendments to the Income Tax Act. Therefore when the committee reaches the end of paragraph 16 I shall propose an amendment to add a paragraph 17 to the resolution to increase the relevant deduction from federal individual income tax otherwise payable, from 19 per cent to 21 per cent for 1965, and from 20 per cent to 24 per cent for 1966. The bill to be introduced after this resolution has been considered by the committee will, as usual, contain a number of additional amendments most of which will be of a technical or drafting nature.

I should perhaps mention one relieving amendment of some general interest which is planned for the bill but which is not described in the resolution. This is an amendment to provide that payments made by the Federal Republic of Germany as compensation to victims of nazi persecution who are now living in Canada shall be exempt from Canadian income tax. The payments referred to are those which are also exempt from tax by Germany. The details of this exemption will be provided when the bill is introduced.

The first paragraph of the resolution proposes that the deduction in computing income now allowed for tuition fees paid by full time students be extended to allow part time students to deduct tuition fees paid to an educational institution in Canada. A large number of people in Canada take classes at night to obtain a matriculation certificate or a university degree. Many of the teachers in our schools take courses during the summer vacation period to improve their teaching qualifications. A large number of our young people take courses in business colleges or in vocational training schools to equip themselves for employment. Tuition fees must be paid for this instruction, but these courses are not usually of sufficient duration to qualify the participant as a full time student. It is hoped that the proposed change to allow a deduction for tuition fees paid by part time students will encourage and help more Canadians to acquire the training and skills which are more and more demanded in our increasingly complex economy.

The second paragraph of the resolution is also related to the pursuit of education. It proposes that a taxpayer be allowed to claim his brother or sister as a dependant for income tax purposes, even when the brother or sister is 21 years of age or over, if he or she is in full time attendance at school or university. At present a taxpayer may claim his adult brother or sister as a dependant only if he or she is dependent by reason of mental or physical infirmity.

The third, fourth and fifth paragraphs of the resolution deal with the program of tax incentives for new manufacturing or processing businesses in designated areas of slower growth. The act now provides an exemption from income tax for the income earned by a new manufacturing or processing business in

a designated area during the first 36 months after it commences commercial operations. At present such businesses have to commence commercial operations within the 24 month period that started on December 5, 1963. It is proposed to amend the act to extend this period so that it will run from December 5, 1963 to March 31, 1967. This extension will give larger developments in designated areas a more reasonable chance to complete their capital construction programs and to commence commercial operations within the time limit. I may say to hon. members of the committee that I was impressed with representations made to the effect that the previous time limit of 24 months was too short. With the proposed change the government is very hopeful that these incentives will result in some important developments being undertaken in designated areas; that is, in places where they can do the most good in providing needed jobs.

It was also announced in the budget speech that the privilege of writing off new manufacturing machinery acquired for use by a new manufacturing or processing business in a designated area at the accelerated rate of 50 per cent will be continued with respect to machinery acquired up until April 1, 1967. The accelerated rate of 20 per cent for writing off new buildings will also continue to apply to new buildings acquired in designated areas until April 1, 1967. This extension of the capital cost allowance provisions will be made by changes in the income tax regulations and does not require amendments to the act.

On the subject of capital cost allowance regulations, it will be recalled that the budget speech also announced an increase in the rate of allowance for heavy mobile machinery used to excavate or move earth or rock for use in compacting road building materials. The amendment to the income tax regulations to increase the rate of capital cost allowance on such machinery from 30 per cent to 50 per cent has now been passed. The change in the legislation concerning designated areas, proposed by paragraph 4 of the resolution, is a technical amendment to the rules for determining if a new business is being carried on in a designated area.

The change proposed by paragraph 5 is intended to deal with the situation which would arise if an area which is now a designated area should cease to become designated because it no longer needs the benefit of special tax concessions. The proposed amendment will provide that where a taxpayer has commenced, or made plans to commence, a new manufacturing or processing business in an area during the time when it was designated, that area shall be deemed to continue to be a designated area for purposes of the application of the act to that particular business. The purpose of this amendment is to make sure that taxpayers who have taken steps to avail themselves of the tax benefits offered in designated areas shall not lose any of those benefits if an area should cease to be designated.

In paragraph 6 a change is proposed concerning scientific research. It is proposed that the act be amended to make it clear that expenditures of a current nature for scientific research carried on outside Canada shall be deductible if the research is related to the taxpayer's business. This amendment is intended to restore a deduction which existed before 1962, but which was removed by a change in the wording of the law in that year. For many years companies in Canada have made payments to their parent companies abroad, or to other non-residents, for the right to share in the results of research and development programs carried on outside Canada. These long-standing arrangements under which Canadian companies have obtained the results of research carried on abroad have provided Canadian industry with valuable processes, techniques and know-how, and denial of the right to deduct payments for this information would restrict this flow of information with detrimental results for the Canadian economy. The proposed amendment will not change the incentive provided in the act for increased research in Canada. Taxpayers will continue to be allowed to deduct 150 per cent of the amount by which their research expenditures in Canada exceed their expenditures in a base period.

Paragraph 7 proposes legislation to allow a taxpayer to deduct amounts spent by him in connection with preparing a notice of objection to a tax assessment or in appealing a tax assessment to the tax appeal board or a court.

Paragraphs 8, 9 and 10 propose changes concerning registered pension plans. The first of these is a somewhat technical amendment to the rules concerning the deduction of amounts contributed into registered pension plans. The purpose of this amendment is to cover situations where members of a pension plan who were contributors under the plan for some past years, and were not contributors in some other past years, now want to make lump sum or annual contributions into the plan in respect of those past years.

Under the amendment proposed in paragraph 9 an employer will have 120 days instead of the present 60 days after the end of his taxation year to make his payment to a pension plan for his employees. This is

intended to give employers who base part of their contributions upon yearly profits a longer time in which to ascertain those profits. The amendment to pension plan legislation proposed under paragraph 10 is to close a possible loophole. It has been made necessary because it was held in a recent court decision that a refund of contributions from a pension plan to an employer did not constitute income in his hands.

Paragraph 11 will not be of wide general interest because it refers to a special situation which sometimes arises between a taxpayer and another person with whom he is not dealing at arm's length. A new set of rules is proposed to deal with the case where such a taxpayer, who keeps his accounts on an accrual basis, owes an amount, such as interest, but has not actually paid this amount in the year he deducts it for income tax purposes. The amendment will prevent unintended advantages being received by some taxpayers but it will also be relieving in certain other cases.

The amendment proposed by paragraph 12 will result in the rate of non-resident withholding tax on certain dividends paid after December 31, 1964, remaining at 15 per cent. Other changes which are consequential upon retaining the 15 per cent rate of tax on dividends paid by a corporation that does not have a degree of Canadian ownership are also proposed.

In paragraph 13 an amendment is proposed to make clear that where a partner sells his interest in a partnership and this interest includes depreciable property the appropriate part of the amount he receives as selling price shall be deemed to be received on account of the disposal of the depreciable property. This amendment will make it possible to apply to usual rules related to capital cost allowances in such circumstances.

Paragraphs 14 and 15 are consequential upon the plan to continue family allowances to children who are 16 and 17 years of age and who are continuing their education. The Income Tax Act provides that the amount of $300 is deductible for dependant children qualified for family allowances and $550 for dependants not qualified for family allowances. The budget speech announced the government's plan to amend the Family Allowances Act so that children aged 16 and 17 may be registered to receive family allowances starting in 1964; but since it will take some time to introduce this legislation and establish the administrative machinery the allowances are not likely to be available before the end of the summer. Since only three or four payments are likely to be available in 1964 it is not planned to make the full reduction from $550 to $300 in the amount that may be deducted for children aged 16 or 17 in respect of whom family allowances are paid in 1964. The reduction proposed is only about one third of the difference between $550 and $300, or $80. This leaves a deduction of $470 for dependent children aged 16 or 17 in respect of whom new allowances are received in 1964.

For 1965 and subsequent years the definition of a child qualified for family allowance is to be amended to include a child who is 16 or 17 years of age at the end of the year if an allowance under the Family Allowances Act is paid in respect of the child in the year for any month after the month in which the child becomes 16 years of age.

Paragraph 16, which is long and complicated, is designed to tighten section 139A of the act which defines when a corporation has a degree of Canadian ownership. As usually happens with legislation that breaks new ground, loopholes were discovered in the definition contained in the amendments that were passed last fall. A great deal of time and effort has gone into the drafting of the revised definition with the object of plugging the existing loopholes and making it quite clear that the incentives offered will be available only to those foreign-controlled companies that make equity shares available to Canadians.

Since March 16 when the resolution was made public I have had conversations with a number of tax practitioners, both accountants and lawyers, who have made a number of helpful suggestions for further changes of a minor character. These will be incorporated in the bill.

I have already mentioned that a paragraph 17 will be proposed, when we reach that point, to provide increased abatements of the federal income tax on individuals in accordance with the recently announced arrangements with the provinces.

All of these proposed amendments are recommended to the committee to assist education, to extend incentives for the development of designated areas, to carry out announced policies and to improve the provisions of the act. I shall be glad to explain each paragraph in more detail as the committee considers each in turn.

Mr. Nowlan: Mr. Chairman, I am sure the committee has listened with a great deal of interest to the statement made by the minister, in which he reviewed very briefly the individual sections comprising the group which we have before us. I am not sure what should be our procedure. I remember a year ago we were held strictly to dealing with each resolution in turn. Frankly, that is all I propose to do in discussing any of them this afternoon,

but I presume that it is open to us to wander somewhat over the whole field because of the fact that some of them are interrelated, as the minister stated. Some of them deal with education, others with various facets which are actually quite closely connected, and I think it would enable full discussion in committee and would probably shorten the proceedings if we were to refer to more than one at any one time. As far as I am concerned, at the moment I intend only to deal with the first section which is before us.

I wonder if I might make a suggestion to the minister. The minister has said—as a matter of fact, he mentioned it to me casually on Friday evening—that he is proposing to bring in an amendment to one of the existing sections dealing with abatement. I quite realize he does not want to move it at this time but when we come to the proposed paragraph 17 I think it will facilitate discussion to have had the amendment placed before us now, so that we can give consideration to it in the interim rather than having to deal with it for the first time when we come to the last paragraph, and perhaps having to hold up the passage of the resolution until we have had a chance to consider the amendment. I suggest to the minister that perhaps he should do that.

As the minister has said, the first paragraph deals with assistance to education, and I am quite sure the committee will welcome any move in this direction. This broadens the policy which was introduced into the Income Tax Act in 1961, I think, by which we provided for the deduction of tuition fees of university students. This provision goes further and covers the four classes set out in the four subsections here, all of which I think are highly desirable.

As the minister said, these deductions will be particularly beneficial to part time students, to students taking courses in the now greatly enlarged technical and vocational training schools which have been established and are growing so rapidly, to students who are attending night school and to students who are attending summer school. I was interested in reading in one of the Toronto papers, after the minister brought forward the resolution, the fact that in the schools of Toronto, a city in which the minister has more than an academic interest I presume, there were 4,700 students taking part time courses in the wintertime and 7,700 students taking summer school courses at the University of Toronto and York University, I assume. This is a very substantial number and they will receive some measure of assistance through the proposal now before us.

There are so many facets of the educational problem which one could discuss, but this is not the time to discuss them in detail. However, I have noticed statements issued by some of the school and university authorities in Toronto referring to summer training and the assistance given to teachers and college graduates in better preparing themselves for the teaching profession. This is certainly something that is highly desirable. All of these things are good. We have been told about extended family allowances. There has been talk about a student loan fund. This matter is not before us now but I presume it will be at some future date. There are various procedures suggested for the assistance of education and the assistance of students, and this is all to the good in so far as the individual is concerned.

But the problem goes much deeper than that, of course. We not only have to provide assistance to students who wish to go to university or other schools. The problem, of course is more acute in the case of universities. We also have to provide teachers and accommodation for the students and teachers. In looking at a national magazine over the week end I was intrigued to read that at one university in the United States, not one of the largest by a long shot, there were 5,900 applications for entrance into university in the past year and the university was only able to accept 1,100 out of 5,900 applications. This shows something of the pressure on universities and schools not only in the United States but also in Canada.

As I said, the time to discuss these matters is not on this particular resolution, but when the minister's estimates are before the house later this session and we are dealing with university grants and methods of assistance to universities I give the minister fair notice that I hope he will be prepared to discuss these matters at some length. I think this is one of the most pressing problems with which the minister and the nation are confronted, and as much as we approve of the individual items of assistance which are before us, they are really only scratching the surface—except for their help to individuals—of the problem in the nation as a whole and a great deal more attention has to be given to the educational problem in the immediate future.

As I said, Mr. Chairman, and I am sure I speak for the whole committee, no one could help but agree that the steps proposed in paragraph 1 are helpful and desirable and ones which I think will commend themselves to the favourable consideration of the committee. I notice that the deduction for tuition fees only applies if the amount is over $25. If the amount is $26 does that mean that the

student will be able to deduct the full $26 or only the excess over $25? Although it is not exactly relevant to this paragraph it is relevant to the problem of assistance to students, and I wonder whether the minister could tell the committee now when he proposes to deal with the matter of university student loans, a measure which was mentioned in the speech from the throne and has been forecast by the Prime Minister and the minister himself. Perhaps he could advise us of that when he is dealing with this paragraph.

Mr. Gordon: Mr. Chairman, I would be glad to answer those two questions now if that is agreeable.

The Chairman: Order. To give effect to the suggestion made by the hon. member for Digby-Annapolis-Kings and in view of the fact that the minister has referred to a proposed amendment, and considering also that the amendment can only refer to the resolution itself rather than to a specific paragraph, perhaps it might be a good idea to have the proposed amendment moved now.

Mr. McIlraith: I move the following amendment:

That the Income Tax Act resolution be amended by adding thereto the following paragraph:

"17. That the income tax otherwise payable by an individual in respect of income earned in a province of Canada be reduced by

(a) 21 per cent for the 1965 taxation year, rather than 19 per cent, and

(b) 24 per cent for the 1966 taxation year, rather than 20 per cent."

Mr. Gordon: With regard to the two specific questions, Mr. Chairman, may I say there is always a problem, I suppose, in working out any amendments to the Income Tax Act as to how far you go for complete equity and precision and what you do about an excess of complexity in the administration of the law. It is proposed that any fees of $25 or less be disallowed and any fees of $26 or over be allowed in full. I quite agree that this is not perfection, but I am sure that if we reach that perfection we will arrive at a tax law that the ordinary person cannot understand. One of my colleagues said today —I hope I will not be pressed to divulge the name—that the preparation of his income tax return was beyond him and he called upon me for help as an ex-practitioner in this field. However, I was never able to make out my own so I cannot help other people.

An hon. Member: It is a simpler form this year.

Mr. Gordon: Well, with every amendment the forms become less simple. The other question my hon. friend asked was when the legislation would be introduced respecting student loans. This will be introduced separately and obviously will not be a part of these proposed amendments. We are working on that legislation. I cannot promise a particular date, but I certainly think they should be introduced as early as possible.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I certainly am in agreement with the hon. member for Digby-Annapolis-Kings in his expression of satisfaction with regard to these student allowances. However, they do seem to me to be rather meagre. There is one point on which I had hoped the minister might have some new ideas and that is with regard to the provision of an allowance for textbooks. They constitute a very heavy burden on students in the course of their education. While the deduction on account of fees is certainly to be commended, it would seem to me it should include all the costs of their educational courses.

I find it difficult to understand why the minister should confine this sort of allowance to students, when there are other sections of the community that suffer from the same sort of disability for which they get no compensation at all. I have in mind, for instance, the heavy expenses some groups of workers have to incur in order to earn their livelihood. I have in mind particularly those engaged in the logging industry in my own constituency, where they have to buy extremely expensive clothing and footwear for which they get no allowance whatever in connection with income tax. This seems to me to be a legitimate expense incurred by the necessity of the way they earn their livelihood. I should like to see some idea of that type going all through the income tax provisions.

In so far as the allowance for students is concerned, I was disturbed not long ago to note a comment in the newspapers, whether correct or not I do not know, from the premier of Quebec to the effect that these allowances were an invasion of provincial rights. I have no means of knowing whether or not the federal government is taking any note of this view, but I would suggest to the government this provision is an arrangement being made between the government of Canada and Canadian citizens wherever they may live. It is no business of any provincial government. I hope the government will not accept the position taken by the premier of Quebec because I think it would be another dangerous step toward the disintegration of our central, national authority.

I should like to turn for a few moments, Mr. Chairman, to some of the other paragraphs in the resolution, namely paragraph 4.

I should like the minister to give some explanation of the method that will be used to determine effectively when a new business started.

Mr. Grafftey: I rise on a point of order, Mr. Chairman; perhaps you could clarify now whether this is the procedure we are going to follow or whether we are going to take the resolution paragraph by paragraph?

Mr. Cameron (Nanaimo-Cowichan-The Islands): It was my understanding the whole of the resolution was before us, but I am subject to correction.

The Chairman: The hon. member for Nanaimo-Cowichan-The Islands is correct. At the moment, the whole resolution is before the committee and if later, in the course of discussion, there were unanimous consent to study the resolution paragraph by paragraph, we could do it. At the moment, we are considering the whole resolution.

Mr. Cameron (Nanaimo-Cowichan-The Islands): This was my understanding, Mr. Chairman. I wonder if the minister could explain to us later just how he is going to distinguish between a genuine new enterprise starting in a designated area and a wholly owned subsidiary of a well established company which is starting business in this area?

I should like some elaboration of section 5 with regard to the provisions for particular companies making application for tax exemption in federally designated areas, and being in a position to take advantage of the tax exemption at a later date after the designation has been removed. I should like to know, in the first place, how long a period is to be allowed for such an application before a person commences operation in the designated area? If he is permitted to wait perhaps for several years until there is a proper economic climate in that area to determine whether it is going to be profitable for him to start a particular business, it seems to me we are defeating the intention of this amendment, in that companies may very well take advantage of this provision unless there is some rather clearly defined limit. There may be some time elapse before they start a new enterprise.

In so far as section 6 is concerned, I am sure most people will welcome this encouragement to research in Canada. Again, I have a question to raise. What is the particular definition of research that is to be used? Is it to be basic research or is a company to be permitted to have a deduction for what would be classed as technical or specific research designed to produce some development that later may be patented, thereby reserving to this particular company all the benefits of this research for which it had received this tax exemption. It would seem to be most important that we should know that. I would suspect a large part of industrial research that is undertaken would fall into the category of development or process that could later be patented, and the returns from it be channelled into the coffers of one company. I believe the purpose of such an amendment would be to encourage research from which the whole community could benefit.

Under section 12, Mr. Chairman, it would be interesting to know exactly what was the cause of the reduction from 20 per cent to 15 per cent? What was the purpose that was sought to be served by that action? Perhaps later on the minister will be able to enlighten us.

In the following sections we have a provision to the effect that where a taxpayer has disposed of his interest in a partnership, such part of the consideration as is reasonable in the circumstances shall be deemed to be proceeds of disposition—I am always a little bit uneasy when I see such terms as "reasonable" or "adequate" in legislation. I wonder if the minister would be able to tell us what yardstick, what consideration, is to be used to determine whether or not such a proportion is reasonable? These are some of the questions that should arise now, Mr. Chairman. While one could discuss the whole basis of our income tax policies under this resolution, I do not propose to do so today, except to put in again a little plug for the consideration of a capital gains tax in Canada. Beyond that, Mr. Chairman, I am prepared to wait until we discuss the items in greater detail under the minister's estimates.

Mr. Olson: I agree, Mr. Chairman, with the suggestion of the hon. member for Digby-Annapolis-Kings and the hon. member for Nanaimo-Cowichan-The Islands, that while the whole resolution is before us it would probably expedite our discussion if we took it one paragraph at a time. For that reason, I only want to spend three or four minutes to draw to the minister's attention one or two things about which he may wish to move amendments when we come to the particular paragraph concerned.

So far as paragraph 1 is concerned, I just wish to say we add our support to this matter of being able to deduct the cost of tuition fees from income tax. It is something that is justified, but we believe it is only a step in the right direction because there are still some very serious injustices concerning things that are actually deductible from taxable income. This is particularly true when applied to people who have spent a lot of time to acquire an education, which becomes the tool by which they earn their income. So far as

postgraduate studies are concerned, we think there would be every justification for including as deductions from taxable income some of the other expenses involved when a person must go away from home, in addition to the actual amount paid for tuition fees.

I am not clear what will happen under paragraphs 14 and 15 in the event that Premier Lesage manages to make arrangements with the federal government to take a cash consideration instead of having these family allowances paid direct by the federal government to children aged 16 and 17 years in the province of Quebec. We do not know whether Premier Lesage is going to refuse these payments. We know there have been some negotiations between the federal government and the Quebec provincial government, and it would be reasonably safe to say these negotiations covered the matter of family allowances.

If these discussions culminate in an agreement whereby there is a payment to the Quebec provincial government, in lieu of making these payments direct to the children, then it would be necessary to have another amendment to the Income Tax Act to equate the final results of this kind of arrangement for the people in the other provinces. I am sure the minister would agree it would be an injustice if a deduction of $550 were allowed for children age 16 and 17 years in the province of Quebec and only $300 for children in the same age group in the other provinces of Canada, while at the same time there was a payment out of the federal treasury to the Quebec provincial government matching the aggregate amount of these allowances.

Perhaps the minister intends to move an appropriate amendment, or it may be a stage has not been reached in the negotiations so that an announcement can be made regarding the final arrangements. Other than that, we are willing to follow the course outlined by the speakers on behalf of the two other parties, to take each paragraph in turn and confine our remarks to it.

[*Translation*]

Mr. Grégoire: Mr. Chairman, when I rise to discuss taxes, I am always reminded of that story of the seven year old boy who got lost in the Quebec income tax offices and the tax inspectors, looking for that child's mother, were shouting all over the place: whose $300 deduction is this? That is to show you a little Mr. Chairman, the turn of mind of those tax inspectors, of those people who only think in terms of an act, in terms of the greatest zeal they can display.

Last year, when the same budget resolutions came before us, I remember very clearly mentioning to the Minister of Finance (Mr. Gordon) that the drafters of that legislation—in the first place, let us consider it, if you will, from the literary point of view—that the drafting of that legislation especially the one coming from the Department of Finance, was complicated and exceedingly long, and most of the time incomprehensible, even for those who are responsible for the administration of the Income Tax Act. They just cannot make it out, so we can expect they will administer it somewhat at random.

For instance, if we take paragraph 16, we have a whole page, commencing on page 6 and ending on page 7, a whole page where there is not even one period. In short, there is only one sentence covering a whole page.

Mr. Chairman, I suggest it is almost a world record to be able to write a one-page sentence. When we start reading it, we come across right and left incidentals and once we have read it—imagine—we wonder how that amendment to the act can be fully understood by the officials of the various income tax offices all across the country.

The act itself is complicated in its wording, its subject matter, its sources of reference and its numbering.

Is it any wonder then that it is misinterpreted in various income tax offices throughout Canada? Is it any wonder also that it brings about unfair treatment for taxpayers and that they often have good cause to complain about income tax inspectors or assessors?

There is one office in particular about which I would like to talk this afternoon. It is located in the Quebec district. I am singling it out because it is probably the one with which I deal most often, since I get a great number of complaints about it.

My constituency comes within the purview of the Quebec income tax office. In that office discriminatory and arbitrary decisions are taken, dictatorial decisions are taken without any inquiries or examination of any kind, and when the taxpayer is not satisfied, he is told: Put in a complaint, put in an appeal, or come and see us in Quebec city.

The Quebec district office is 135 miles away from my constituency, so you can well imagine how difficult it is for an ordinary worker who earns his living by the day, to go to the Quebec city office during business hours.

I would like to mention one of those cases to illustrate how this act we are voting today can be outrageously applied in the province of Quebec.

[*Text*]

The Deputy Chairman: Order. I fear the hon. gentleman is moving away from the

resolution before the committee. I think he is discussing the administration of the Income Tax Act rather than the terms of the resolution now before us. I would prefer it if he would remain with the resolution that is before the committee.

Mr. Martineau: Mr. Chairman, on this point of order, we are now on an income tax resolution, and it was stated before Your Honour took the chair that the resolution was in a general way before the committee. Its wording starts:

> That it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things—

certain specific things. It is the whole gist of the resolution and of the amendment of the Income Tax Act that is before the committee, and I would therefore submit it is strictly pertinent to the discussion to mention the way the act is administered; and that is what the hon. member for Lapointe is doing. I would respectfully submit he is within the rules in bringing up these matters.

[*Translation*]

Mr. Grégoire: Mr. Chairman, on the point of order, I should like to point out that I only made preliminary remarks on the wording of the act, on the manner in which it is written, on the manner in which it is divided into paragraphs, and in regard to its phraseology. It is to illustrate how badly this text is worded that I speak of the doings of the income tax inspectors which are ridiculous and arbitrary, because the very act we wish to pass is badly written. For example I can quote a sentence, that is section 16, which I would challenge you to read and tell me, within an hour, its exact meaning.

You will realize, then, that tax inspectors are unable to understand—that is the point I wish to make—and why it is that their interpretation is wrong. It is precisely because the legislation is poorly written. This is, in addition to the arguments put forth by the hon. member for Pontiac-Temiscamingue (Mr. Martineau), another point I want to make before we approve such poorly written legislation and I want to show you the disastrous effects of this poorly written text which does not make sense.

[*Text*]

Mr. Olson: On the point of order, Mr. Chairman, I must agree with the hon. member for Pontiac-Temiscamingue that since the resolution before us deals with amendments to the Income Tax Act the hon. member who has the floor has a right to make some suggestions about the administration of the act, both as it stands and also, perhaps, in anticipation of certain problems which he thinks

[The Deputy Chairman.]

are likely to arise with respect to the administration of some of these amendments which are before us, now—and, of course, the whole of the resolution is before us, not just parts of it.

The Deputy Chairman: I should like to point out to hon. members on this point of order that we have a resolution before us from the Department of Finance and that the administration of the Income Tax Act is a responsibility of the Department of National Revenue. While hon. members are free to make any comments they wish regarding the Income Tax Act, these will only be in order provided they are related to the resolution before us. I have no intention in the world of restricting debate but I think it would be wise if, in our remarks, we were to relate those observations to the resolution which is now before us even though they might concern the administration of the act.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I shall right away relate remarks to the resolution before us by saying that the doings of the officials of the tax department depend on the way this text is drafted, which makes it hard to understand.

For instance, I have here a rather incomprehensible case namely the case of charity receipts. In the case I have here, the department wrote to the taxpayer after his tax return had been accepted: Your charity receipts have been cut by such an amount. No investigation was made, despite the fact that the legislation we want to pass provides that if the person supplied charity receipts—that is written into the act—the amount can be deducted from the tax, provided the total receipts do not exceed 10 per cent of the salary. But inspectors do not understand that or they want to make a show of zeal to get a promotion, and that to the prejudice of taxpayers.

Inspectors write to the taxpayer and say: After investigation, we have decided to cut from $400 to $300 the amount you claim as charitable donations. The taxpayer wonders why and says: Well, I supplied the charity receipts, I am entitled to that under the act and you refuse it to me. The inspector replies: An investigation was made and we are not going to change our minds.

That is where the taxpayer writes to us and puts the matter in our hands. I have a briefcase full of problems like that, but I should like to state only a few.

Then we write to the Quebec income tax office and ask: Why did you cut down the allowance for charitable donations of this taxpayer? The taxation division replies a

little more intelligently and decently, saying: After inquiry, it has been deemed advisable to cut the allowance for charitable donations; however, if the taxpayer can account for his receipts, they will be accepted. But the taxpayer has already accounted for his receipts, since they were duly signed, in most cases by the parish priest, who is an honourable and respected person. They are signed by the parish priest who is told to warrant them. Then the parish priest has to write to the taxation division officials and tell them: I am surprised that you question the receipt I gave for income tax purposes. Especially, when this happens in such a whimsical way.

The parish priest often has to send two letters to the income tax officials, who then reply: All right, since you have accounted for your receipts, we shall accept them.

But then, consider all the steps that were required: a letter from the taxpayer to the income tax division, a letter from the taxpayer to his member of parliament, a letter of the member to the taxpayer, a letter of the member to the income tax division, another visit of the taxpayer to the parish priest, and then, another letter from the parish priest to the income tax division, and the department's reply to the taxpayer informing him that his receipts were justified, and all this for a $9.25 difference in the income tax assessment. This must have cost the government from $100 to $125, because the receipts for charitable donations were not accepted.

Why not accept these receipts if they are in due form? We have received a pile of letters from taxpayers who were dissatisfied.

I then decided to meet the income tax director. I was very well received but afterwards he did exactly the opposite of what he had promised me he would do. I said to the income tax director: When, in your opinion, charitable donation receipts are too high and you decide on an investigation, at least make a complete one. That is a legal requirement. Investigations by the income tax division cannot be complete as long as the investigators have not paid a visit to the taxpayer.

Some parish priests have told me that such visits are made no more than an hour before the evening rosary at the church, because the officials come from Quebec city and wish their stay in the Lake St. John area to be as short as possible. They arrive at any hour of the morning, afternoon or evening and say "We have prepared a list; give us the following information." The vicar is thus forced to do the investigation for the income tax officials. If he has signed a receipt for such and such a person he must give the information on the spot and say: I do not know—

To allow people to act in such a way under that legislation is paramount to discrimination against the general public.

[*Text*]

The Deputy Chairman: I am sorry to interrupt the hon. member again but it seems to me he is discussing the administration of the Income Tax Act, which is a responsibility of the Department of National Revenue. Up to this point he has not related his remarks to the resolution which is before us. I hope the hon. member will do that.

[*Translation*]

Mr. Grégoire: Mr. Chairman, once again I shall relate my remarks to the resolution. The relation between what I have to say and the resolution under consideration at this time is that the legislation before us is incomplete, that it lacks simplicity and is very difficult to understand for income tax inspectors and assessors. As a matter of fact, it is because they do not understand the act that such cases as those I have mentioned can happen.

By submitting specific cases to the Ministers of Finance and National Revenue, I hope to prove that they should introduce better prepared pieces of legislation than the one this house is discussing today if they want auditors to understand the provisions of the act.

That is the relevancy between what I say and the cases I quoted. I suggest those cases are so clear that they deserve consideration because it is a very important matter.

As a matter of fact, when legislation is passed and its provisions are ill applied or misinterpreted, we have a responsibility to see to it that justice is done to our electors who are the victims of the legislation we pass in this house.

This is, in my view, the relation between my remarks and the legislation we are called upon to vote.

It is a fine thing to ask us to pass legislation, but if they are improperly drafted and if most taxpayers complain about it because they cannot understand such legislation or make anything out of the intricacies of the law, we have a responsibility to say: do not bring forward any more budget resolutions or legislation with respect to income tax which are so drafted but see to it that the officials and the taxpayers can understand them.

I would suggest, Mr. Chairman, that I have related my observations to the matter now before us and that I may go on.

Mr. Chairman, in the cases I mentioned, justice was finally rendered to certain indi-

viduals but only after a lengthy exchange of correspondence between the income tax department and the taxpayer, the parish priest and the member of parliament.

But if the inspector or the assessor had considered only what was asked for, if we had passed simpler, easier to understand, more explicit legislation, then we would not have faced such problems.

I have another case to illustrate very well what I am saying. It is the case of a taxpayer who said he was not allowed to deduct 75 per cent of his car expenditures because it was alleged that he did not have to use his car in his work. In the letter, the name of the assessor is mentioned. He is a Mr. Gingras. That man's name is often referred to in the letters received.

The taxpayer wrote to me as follows: I was a little tired after travelling more than 160 miles the day the inspector came in to my office. He came from Quebec city, and, as I said a while ago, he tried to get his work done as fast as possible.

And the taxpayer went on: although my day's work was done, and I had travelled 160 miles and seen several customers, the inspector barged into my office very rudely, asking me a thousand and one questions, accusing me of all kinds of things. I spoke to him a bit harshly, and then the inspector said to the secretary, and I have the name here, Mr. Gingras, that he would make me pay dearly for this lack of respect for a tax assessor.

Mr. Chairman, if we do not pass a law to bring those people to their senses, what is the use of our present legislation, apart from getting taxpayers into trouble?

Mr. Chairman, it is intended to have paid dearly any lack of respect for a tax assessor with whom it is impossible to discuss problems, who considers that we are all thieves and treats everyone accordingly.

Such are the legislative measures that we are being asked to pass in this house. The taxpayer also tells me: As I knew that my tax returns were legal, I did not worry much about this investigator who, in order to have his revenge gave me a new assessment for two years, and claimed $245.91 from me.

Mr. Chairman, this taxpayer unfortunately came to see me much too late, because had I known about that, I might have been able to put this Mr. Gingras in his place before today. The taxpayer handed me the letter so that I might use it.

He also tells me that when he received that $245.91 claim, instead of seeing a lawyer, which would probably have cost him twice as much, he offered to pay this amount at the rate of $25 per month. But Mr. Gingras was up to his tricks again, and told the taxpayer that he had to pay the amount within a certain period of time.

That is another example showing how Quebec income tax officers act.

And I think that we are right when we ask for an investigation on the actions of these little dictators.

Another taxpayer writes me to ask where he stands. As a matter of fact, he is wondering if he will have to go to the income tax office in Quebec to swear that he actually gave so much to charities.

Mr. Chairman, those are somewhat extraordinary things. When it is said that an investigation was made, in most cases, there was none. In my opinion, there should be an investigation about the actions of those inspectors.

We ask only that an investigation be made when it is intended to reduce the amounts claimed by the taxpayers for charitable donations. The least they can do is for the officers and assessors to call on the taxpayers. In so doing, they may see both sides of the picture, they may obtain both versions. We also ask that they behave politely and not by saying: "We are above you, you are a gang of thieves."

Let them conduct their investigation politely when they refuse to accept the statements submitted. The investigation is not to be made in the income tax office; what we ask for is that the assessors or auditors visit the taxpayers themselves, instead of asking the taxpayers to go to the office. The Quebec district taxation office is located 135 miles from Jonquière and 175 miles from Mistassini, which is in the constituency of my colleague from Roberval (Mr. Gauthier). In most cases, the officers tell the taxpayers: "If you are not satisfied, come to see us in Quebec city or lodge an appeal against our decision."

Mr. Chairman, I think if it is intended to pass legislation with respect to income tax, it must be drafted clearly and precisely, so that everybody may understand it. It is already hard enough to have to pay income tax. In fact, I believe the government grabs a sufficient share of the taxpayers' salary, it already digs deep enough into our pockets without entrusting the job to a bunch of rude and impertinent employees. Indeed, taxpayers have reason to complain, because their word always seems to be questioned with regard to receipts for charitable donations.

That is the situation in which everybody finds himself. We should keep in mind that a priest's or minister's task is not to give receipts. That is hardly his function. But if the taxpayer has no receipt from his parish priest, he has to pay taxes, even on the money he gave charitable institutions. It seems that

the parish priest is expected to do the work of a civil servant. When he signs a receipt, it seems that he sets everybody against himself: the taxpayer, the income tax department, everybody.

Mr. Chairman, the act is ill-conceived, and especially, the provision relating to receipts for charitable donations.

And today, we are asked to approve further income tax legislation. I think that if the minister wants to amend the Income Tax Act, he should amend the provision with regard to charitable donations, which is a source of trouble for each and every one of us. At least, we, in our district, receive a great number of complaints, and I suggest that the act be amended, instead of putting everybody in a difficult situation and abetting an existing trend, which is to incite people to cheat on their income tax return. I admit that there are some people who cheat, or try to cheat, but it is precisely that clause concerning charitable donation receipts, which encourages people to cheat or to obtain as many charitable donations receipts as possible from their parish priest, who is unwilling to make enemies. It may happen that a parish priest gives a receipt for an amount higher than the taxpayer's charities. But he does not have to squabble with his parishioners just to please the director of the income tax office or the inspector. Therefore, let us change the act. We have already made a suggestion along that line. I repeat it today and I ask the minister to move that amendment himself. In view of the fact that we are dealing with budget resolutions, I am ready to help him draft an amendment for which he will have all the merit and credit in Quebec. Let him move an amendment to the effect that—

[*Text*]

The Deputy Chairman: Order. It being five o'clock and in order to permit the house to proceed to the consideration of private members' business, it is my duty to now leave the chair.

Mr. Deputy Speaker: Order. It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions.

SHIPPING

SUGGESTED REVIVAL OF MERCHANT MARINE

Mr. Thomas M. Bell (Saint John-Albert) moved:

That, in the opinion of this house, the government should consider the advisability of reviving the Canadian merchant marine.

Merchant Marine

He said: Mr. Speaker, this subject of a merchant marine has come before parliament on numerous occasions since world war II. I hope to submit this afternoon that there are even more compelling reasons now for the government to revive, in the words of my motion, the Canadian merchant marine. In going over the previous debates one will find that perhaps the greatest champion of this cause in the house was the former minister of external affairs, Mr. Howard Green. When I came into the house it was my pleasure and honour to support a plea which he made on May 13, 1954, for the merchant marine. The reasons that we made that plea at that time still hold true today, and as I say I think are even more compelling. The ironical twist, Mr. Speaker, is that at that time, 1954, there were over 100 merchant ships. Today we have one Canadian-registered, deep sea vessel.

The arguments for this proposal were four in number. First of all there was the matter of defence; second, shipbuilding; then that of trained seamen; and fourth, the question of trade. I should like to deal with these four matters in light of present-day circumstances.

As far as defence is concerned, Mr. Speaker, while our commitments have changed somewhat we are still in the business of naval escorting. If we have no merchant ships to escort, then what will our navy do in time of war? I seriously suggest, Mr. Speaker, that the experience of the last war when we pooled our merchant ships should be a lesson to us at the present time. We sat down at the bargaining table, but those who had the ships could of course bargain the best and have their say. The piper plays the tune, as it were, and those who do not have a merchant fleet to back up their words at the conference table lose out.

Another argument made quite frequently is that today we need more air transport than naval transport. I suggest that this may be true in the first instance, but a recent article in the magazine "Crowsnest", April issue, demonstrates very clearly that while air transport may be required for our combat-readied troops, we have to follow up with naval transport immediately afterwards to supply materials and even fuel for the aircraft. So I think from a military prestige standpoint we can still justify the need for a merchant marine.

Then reference was made in the previous debate, as I said, to shipbuilding. A very interesting brief was presented to the federal cabinet recently by the shipyard workers of Canada, in which they pointed out in clearcut fashion the present need for a merchant marine. They said that if we did not need our

own ships, then we should not be in the shipbuilding business. Canadian ownership would assist the shipbuilding yards to a degree unprecedented in our history. They further pointed out that with the scrapping of the frigate program the yards are in a serious transformation stage, and the $400 or $500 million which was released by the cut in naval expenditures could be used to assist the construction of a Canadian merchant marine.

Then there is the question of trained seamen. We all know the difficulties which we encountered during the last war through the lack of trained seamen. I suggest that we in this nation need to look to the future. We had over 7,000 trained seamen in 1945; now there are less than 100. The sea would be a worthwhile occupation for Canadian youth to follow. They would know where they fit into the future, and this could be part of a naval or merchant marine program. We do train seamen for the Canadian coastguard service and for Department of Transport vessels on the northern service, and this training could be tied in with that for a privately-owned merchant marine.

The last point of significance which was made in the debate ten years ago still has validity today, and I suggest it is even more convincing. It concerns the matter of trade. We are trading to an increasing extent. Our exports are going up all the time. Recently we saw an example of our need for a merchant marine in that our wheat has been shipped both to China and Russia in the bottoms of ships of other countries. This is why it is imperative that we move now to establish a merchant marine, because there is a great demand for the movement of bulk cargoes.

Two tables numbered I and IX which appeared in the brief submitted by the shipyard workers show, first of all, world and Canadian export trade as a percentage, as extracted from the marine engineering log, and second, the extent of foreign ships participating in the handling of Canadian overseas trade. These tables are in both French and English, but I would ask permission, Mr. Speaker, to have both these short tables which are extracted from official government records printed in *Hansard* in English at this point in the debate.

Mr. Deputy Speaker: Has the hon. member unanimous consent to have these tables printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: Tables referred to above are as follows:*]

TABLE I

World and Canadian export trade
(Billions of Dollars)

	1957	1958	1959	1960	1961	1962
World	99.8	95.2	100.9	112.7	117.7	123.5
Canada	4.9	4.9	5.2	5.4	5.9	6.4
Canada's percentage of world exports	4.9	5.2	5.2	4.8	5.0	5.2

SOURCE: Marine Engineering Log, 22nd Annual Review, June 1963.

TABLE IX

Extent of foreign ship participation in the handling of Canada's overseas trade
(excl. U.S.)

	1947	1950	1953	1958	1959	1960	1961
Total dry cargo carried (exports and imports) in millions of tons	16.3	15.3	24.8	27.1	29.5	33.1	36.6
—Percentage Carried By:							
American flag ships	19.9	5.1	2.8	1.5	2.1	1.4	1.3
Liberian flag	—	—	3.1	11.8	14.7	9.4	9.1
United Kingdom flag	45.2	48.8	34.0	32.2	29.1	30.3	24.3
Canadian flag	20.2	9.9	4.3	.2	.03	.2	.2
Norwegian flag	3.4	11.5	13.5	15.8	19.8	19.6	17.8
Japanese flag	—	—	3.8	6.5	5.3	5.4	5.6
Greek flag	—	3.7	6.1	9.8	9.0	9.5	11.8
German flag	—	—	3.8	2.1	3.5	7.2	9.3

SOURCE: Canadian Maritime Commission: 15th and 16th Annual Reports.

Mr. Bell: Another example, Mr. Speaker, to illustrate the need for a Canadian merchant marine in the sphere of trade, is illustrated by recommendations made at the United Nations conference on trade and development. This was an extensive conference held in Geneva on March 25. One of the recommendations has particular significance, and it is as follows:

> 5. Ocean transport costs being so important to the trade of developing countries, they should be encouraged where feasible to set up their own merchant marines—when they do, it must be understood that they will have to indulge in the practice of "flag discrimination" to protect these fledgling enterprises.

Having examined the reasons for having a merchant marine it might be worth while to take a moment merely to outline what has taken place since 1945 to show where Canada has fallen down. You will recall, Mr. Speaker, that after the second world war it was the policy of many of the smaller countries and states, such as Liberia and Panama, to provide a "flag of convenience", or to become what are called flag countries. This is a method of registration of a ship by a shipowner so as to escape tax liability in his country of origin. In many countries these shipowners suffered such a tax burden that they were forced to register their ships in countries like Panama or Liberia. As a consequence most countries took steps, through various methods such as tax concessions, subsidies or mortgages, to make it possible for their own shipowners to register ships at home and compete with these smaller nations. In other words, they placed their own shipowners in a competitive position. But Canada failed to do this, and for the life of me I cannot understand why we allowed our merchant fleet to dwindle since 1945 almost to the point of non-existence.

There is no sense in reviewing the history of the matter. Various proposals have been put forward from time to time. I am sure there are many recommendations and briefs which have been put before the Department of Transport and other departments which are worth while, and could form the basis of any shipbuilding scheme. I know from personal experience some of the difficulties of a fully socialized plan of ship operation, and I for one would have no part in any state ownership scheme which might be put forward. We all know the difficulties experienced by Canadian National Steamships, who were running ships to the West Indies.

I should first like to make the suggestion that whatever is done should be done now. There is enough authority and power in the Canadian Maritime Commission Act and regulations for us to carry out any method we may have in mind to deal with this important matter. It is only necessary, as I suggested, to put our shipping industry in a position to be able to compete with those of other countries.

The second important thing to remember is that, whether this is done by government mortgage, by tax concessions or other forms of assistance, it must be long term to be fair to all—shipowners, seamen, shipyard workers and even the Canadian people. It may be necessary to go even further and to restrict our exports and imports, if possible, to Canadian bottoms as has been done by the United States. But let us be fair to everyone. Let us be long term in our suggestions and recommendations and let us not have a tragic abandonment of our merchant marine as we had in 1945.

I do not wish to speak long. I suggest that these are the advantages of a revived Canadian owned, operated and manned deep sea merchant marine. First of all, it would give new opportunities to thousands of young Canadians who would follow the sea as a lifetime profession. Second, it would stimulate Canadian shipbuilding in the tough, competitive world of today. Third, it would bring new dollars to our economy and reduce our balance of payments problems. Instead of sharing present shipowners' revenues outside of Canada, the earnings would all be distributed within our own economy. Fourth, it would give Canada greater control over import and export traffic. It would stabilize our shipping costs and bring us into the picture in chartering, insurance and even the direction of shipping. Fifth, it would provide greater prestige and bargaining power in trade negotiations with the newly developing countries. Last, it would mean that we would have available, having in mind present defence commitments, a merchant fleet for both the supply and transport of troops.

Canada is a vast and complex country. Because of our geography we have found it necessary from time to time to subsidize many of our services in the transportation field. Because of our sparse population we have also found it necessary to come forward with assistance on occasion to agriculture and some of our other basic industries. We have one of the longest and most rugged coastlines in the world, and it certainly is not wrong to think that we should assist in some way a Canadian owned merchant fleet that would bring us closer to the sea.

It would have a very healthy effect on our people. In my opinion we have become too insular in Canada. We are controlled from central Canada, and we seem to forget the wholesome sea is at our gates. We are, to put

it bluntly, a nation of landlubbers. A small investment such as I suggest, which would only amount to $3 million a year for about 25 ships, would once and for all enable us to take our place as a great trading nation with our own ships, our own seamen and the other supporting industrial services.

Let us have a decision now instead of waiting another 25 years. I do not know whether this matter should be referred to a committee. Possibly the railways and shipping committee could gather information that could be of great assistance in helping the government to make a decision. It might be that the matter could be referred to the banking and commerce committee. I think everybody agrees on the need of reviving our merchant marine. It is a matter of deciding the best financial method of doing so. I know that the Minister of Transport (Mr. Pickersgill) has many duties. His portfolio is a most diverse one. He cannot hope to cope with all his problems overnight, but he should try to direct his attention to one matter at a time. The former minister of transport, the hon. member for Three Rivers (Mr. Balcer), in a commendably statesmanlike fashion dealt with shipbuilding. He brought forward the subsidy plan which enabled us to build our coastal ships, and this helped the industry for a considerable period. I suggest to the Minister of Transport that he should act at once by taking the matter of reviving our merchant marine under immediate consideration, and come forward with a program that will benefit the entire economy.

[*Translation*]

Mr. Reynald Guay (Levis): Mr. Speaker, I am very glad to have this opportunity to take part in the present debate, especially to deal with the establishment of a merchant marine, a project which I think would be feasible and economical in a country such as ours.

Many people today talk about small industries and say that, in Canada, we should establish and promote the establishment of small industries. That is true, but before doing that, we should keep and try to improve those we already have. I feel the time has come to examine the possibility of establishing a merchant marine. There are several good reasons for such a project, and here are the main ones: 1. Canada is one of the largest exporters in the world, but its exports to countries other than the United States are carried in ships of foreign registry.

2. A Canadian merchant marine would open many markets to Canadian shipyards, both for shipbuilding and repairs, and at the same time it would put our Canadian labour force to work on the equipment required for those ships.

3. Canadian shipyards having no merchant marine to supply and serve in Canada labour under a serious handicap.

4. The earnings of the Canadian merchant marine would reduce our balance of payments.

Present conditions, although quite unfavourable to the development of a Canadian ocean-going fleet, are not necessarily permanent, and this matter should be examined from time to time, as technical changes occur.

The application of automation to shipping is increasing from day to day. This could lessen the dispute about the wages of Canadian seamen abroad and enable to diversify our operations in the future.

I now take the liberty, Mr. Speaker, of referring to the brief submitted by the national trade union and the Canadian Congress of Labour to the cabinet; there are very few countries which have a more direct interest in shipping than Canada. Almost 16 per cent of our gross national product of $40.4 billion, that is $6.4 billion, is derived from exports. From 1957 to 1962, our exports accounted for 5 per cent of total world exports. Except for the world trade in oil, considering only the shipping trade of solid goods, Canada's share is even higher: 9.6 per cent in 1961.

In the face of such a situation, the condition of our merchant marine is disastrous: we only have one trading ship under Canadian registry the SS *Federal Pioneer,* of 10,000 tons built during the war. Such a situation cannot prevail without definitely being prejudicial to our commercial position in the world.

This is more pitiful since Canada has a shipping tradition of which it can be proud. After 1867, our country ranked fourth among the countries having a merchant marine. As shipbuilders, we ranked third during the second world war, immediately after the United States and Great Britain.

A modern merchant marine would guarantee to our country the development of our external trade and actively contribute to increase our exports.

It would provide jobs for thousands of Canadians. It would bring about the technical development of an important segment of our heavy industry. It would bring additional revenue to several related industries and to various localities. Finally, it would soon contribute to solve one of our main economic problems: The chronic imbalance of our international payments. We have the required capital, as well as the human and material resources available. At this stage, the federal government should reach a prompt decision.

Canadian shipments to foreign countries have reached 60.3 million tons in 1962, or a 12 per cent increase compared to the previous year. This rising trend is being maintained.

For the first five months of 1963, there is a 6 per cent increase, compared to the corresponding period in 1962.

Iron ore comes first with 24.3 million tons, followed by wheat (9 million tons), gypsum (4.1 million tons), lumber and timber (3 million tons).

Those three types of shipments totalled 22.1 million tons. The transportation of those three products alone required a fleet of 40 ships of 25,000 tons each, at the rate of two trips a month.

During 1963, the total volume of shipments handled in Canadian ports was higher than in any previous year and exceeded by 8 per cent the record reached in 1961.

According to 28th annual report of the national harbours board tabled in parliament by the Hon. J. W. Pickersgill, Minister of Transport, who is responsible for the board, those ports have known an unprecedented activity as well as a record operating income.

Such increased activity prevailed in all the harbours coming under the board which administers the Halifax, St. John's, Chicoutimi, Quebec, Three Rivers, Montreal, Churchill and Vancouver harbours as well as the grain elevators in Prescott and Port Colborne.

Mr. Speaker, shipping has topped all previous records. The Canadian national harbours have handled a surplus of 66 million tons of freight, namely a 10 per cent increase above the 1962 volume.

Exports have increased by nearly 24 per cent compared to last year, when imports remained about the same as in 1962. Domestic traffic, upon arrival, increased by 12 per cent and domestic traffic, upon departure, by nearly 1 per cent.

In addition to that, Mr. Speaker:

1. It is not surprising that shipyards are specialized plants which must rely on the skills patiently acquired by steelworkers, welders, coppersmiths, electricians, carpenters, cabinet-makers, modelmakers, riggers, tinsmiths and others.

Such skills must be kept continuously occupied in shipbuilding, if we want to avoid that such a mine of talents be wasted and scattered. Shipyards are tottering when such skills remain idle. They make headway and spread economic development throughout the country when farsighted maritime nations see to it that their expert teams work at their main job, building and repairing ships.

2. In the near future, a steel industry will be established in Quebec, which will increase considerably our needs with regard to water transportation.

3. There was a considerable increase in winter navigation on the St. Lawrence river, according to the report published in March 1964 by the board of industry and commerce of Metropolitan Quebec Inc., whose main object is to supply the industry and trade of the economic region of Quebec with a supplementary service that might contribute to their development.

I take the liberty of quoting a few figures from the newspaper *Le Soleil*:

> Statistics on shipbuilding up to 1961 have just been released. The number of shipyard workers dropped from 18,577 in 1957 to 14,848 in 1961. Quebec had the largest labour force, that is 8,005 in 1957 and 6,168 in 1961, next came British Columbia with employment figures of 5,001 and 2,946 workers, respectively...
>
> In 1961, the gross value of production amounted to $136,629,459, Quebec getting $61,262,965 of it. Most orders are placed by the federal government.

In closing, Mr. Speaker, I say that the government should take steps to stabilize employment in our shipyards and I think that it could do it best by setting up a merchant marine as soon as possible. I suggest, therefore, that the motion be referred to a committee for study.

In short, here are a few most urgent recommendations that I wish to submit to the government.

1. That jurisdiction over the coastal trade be extended to the Belle Isle strait, Newfoundland being a Canadian province.

2. That the ships be built, repaired and registered in Canada and have their home ports here.

3. That the 33½ per cent subsidies be covered by permanent legislation and not by orders in council, as at the present time.

4. That shipyards be regulated by federal legislation, mainly for the following reasons:

(a) 60 per cent of shipbuilding involve contracts with the federal government.

(b) The inspection is carried out by the federal government.

(c) Shipbuilding is a national industry.

(d) The abovementioned subsidies are granted by the federal government. Hence shipping will be covered by federal legislation on coastal trade and licences will be delivered by the Department of Transport.

5. That a shipbuilding commission be set up to regulate Canadian shipyards. The commission could establish equitable plans for each area. In brief, for such a study, I respectfully suggest that the government should set up a parliamentary committee on coastal shipping in order that the recommendations made in the 1957 report be implemented.

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, as member for a riding bordering on the majestic Saguenay, one of the most beautiful rivers in the world, it is natural that

I should be keenly interested in the establishment of a merchant marine and harbour improvements.

Our area is fortunate in that private undertakings have been able to organize themselves and establish their own shipping industry, because we would have been deprived altogether along that line. There is, for instance the Saguenay Terminal, which has its home port in Port Alfred and owns a sizeable fleet, that is about 100 ships which bring in raw materials from South America and Africa and export products manufactured in the Saguenay area, especially paper and aluminium.

That is not enough, however, and it does not meet present needs not only in my district but throughout the country. It must be remembered that shipbuilding was the first industry of its kind in Canada. If you read the economic history of our country you will see that the first industry established here was a shipyard. We have the advantage of being almost surrounded by water; we have oceans at the north, east and west and the majestic St. Lawrence and the great lakes to the south. However, we have no merchant marine to ply those waters. That is truly amazing on the part of a country with a population of nearly 20 million people.

We have shipyards and I know that the hon. member for Levis (Mr. Guay) is keenly interested in this matter. He may have strong arguments but I should like to stress one point, the financial element. In spite of the numerous arguments he invoked, the member failed to show the need for shipbuilding. Indeed, the saddest point of all is that the government does not have the funds at present to build ships.

It is faced with the following problem: the people are overtaxed and still we are being asked for money for shipbuilding.

Here, I would like to congratulate the hon. member for Saint John-Albert (Mr. Bell) for having raised this question of major importance for the Canadian economy. However, if concrete proposals enabling us to build ships are not brought down, all efforts will be of no avail. In fact, we have the necessary materials and labour, and we have well organized shipyards, but the funniest part of it all is that we lack the money. By the way, what is money? In itself, it is merely a means of acquiring property. Some economists call it a certificate to get goods.

As potential, we have the Bank of Canada, which is the people's bank, the nation's bank, and we are not using that potential, that power which could capitalize this country's assets. We could, considering that point of view, create thousands of new jobs in this country, we could train our young people and we would become much more interested, as our economy would be more prosperous.

On the other hand, if we consider the way money is being spent on social assistance—millions are being spent annually on social assistance of some kind—we cannot but conclude that instead of distributing money for nothing, it would be better to use it to build ships in which to carry our products to other countries and to bring back those products we need.

When we look upon small countries, such as Norway and Sweden and many others that have large fleets, we surely have cause for reflection. I often see in Chicoutimi harbour ships which come all the way from Sweden or Norway. As a matter of fact, it is on account of these ships coming in from far away countries that we benefit from a number of Canadians of foreign origin who are now assimilated to the French Canadians but whose origin is Norwegian, Swedish, even Finnish. These sailors discovered that we have a magnificent country, liked it, and have remained with us.

It has been established that shipping by waterway from Canada to foreign countries has increased considerably in 1962, that is, by 12 per cent.

Now that we want to extend Canada's export markets, perspectives seem tremendous. In the course of this week, and according to what I was told, I will probably have the opportunity, of introducing my Bill No. C-24, an Act to amend the Bank of Canada Act. If the house sees fit to pass that bill, we will then be able to increase our exports considerably and we will have to build a fleet of ships to sail the seven seas; we will then be able to do business with all those countries enjoying a relatively stable economy, a relatively stable government, from whom we could accept non convertible currencies. We may then also be able to increase our exports considerably.

Keeping all those countries in mind, Mr. Speaker, I would like to say in conclusion that Canada, after all, is an exporting country. The same can be said of my own Saguenay region, because if it were not for our exports nobody could earn a living there. All the industries of my region export 90, 95 and even 98 per cent of their production.

It is also the case with most of our large Canadian industries. Therefore, shipbuilding is of the utmost importance, but let us, by all means, open our eyes and see where we can obtain capital. A merchant marine will not be built by overtaxing people, but by tapping available sources of funds. We have the advantage of having the report of the royal commission on banking and finance. I

did not have the time to look it over personally to see whether it contained concrete solutions to boost our economy. However, let us not forget that conditions now are not what they were 50 or 100 years ago. Times have changed and we have to take that evolution into account. When we can monetize our own improvements, we will be able to monetize the Canadian potential, to monetize, in the long run, our national resources, but, in order to do that, it is imperative that we build a merchant marine.

The financial system has changed and we can consider ourselves in a position to benefit from our wealth; from Canada's potential and from our natural resources. To achieve this goal, we must without fail set up a merchant marine of which Canada would be proud and which would allow the country to assert itself when we have a flag worthy of our country.

Mr. Robert Beaulé (Quebec East): Mr. Speaker, the bill now under consideration is a very important one. It is a pity that it was not introduced by the member for Saint John-Albert (Mr. Bell) when his party was on the other side of the house. When the hon. members belong to the party in power, they seem to remain idle, but when they are in the opposition, they become very aggressive.

In 1962, in connection with coastal shipping in Canada, the volume of goods carried in the inland waters of the St. Lawrence including the great lakes reached 43,375,648 tons. Ninety seven English ships not registered in Canada and three foreign ones engaged in coastal shipping with a temporary licence issued by the Minister of Transport were in operation in 1962.

Five million, 8 hundred and 99 thousand, 9 hundred tons, that is 13.6 per cent of the total coasting trade for 1962, have been shipped on vessels registered outside Canada. During the same year, such vessels carried: all British Columbia timber to harbours of eastern Canada; 94 per cent of limestone from Colborne to Clarkson; 90 per cent of ilmenite from Havre St-Pierre to Sorel; about 87 per cent of gypsum from Little Narrows to Montreal; over 50 per cent of iron ore from Wabana to Sydney; 65 per cent of the coal shipped from Sydney; 44 per cent of the iron ore shipped from Seven Islands.

That gives you an idea of the importance for our merchant marine, namely ships registered and built in Canada, to see that they possess the exclusive right of an inshore freight service or at least in the St. Lawrence inland waters.

It would also assist greatly the Canadian shipyards which, this way, could get contracts for the construction of boats which undertake exclusively that inshore service.

Our shipyards play a great part in the economic life of the Quebec area. They are among the most important employers, giving work to a great number of workers and specialized technicians who all receive salaries ranging among the highest in the Quebec area.

In addition, shipbuilding benefits the entire Canadian economy. The greater part of the materials used in shipbuilding are manufactured and processed in Canada. Steel, engines, electrical equipment and interior decorating materials are mostly manufactured in Canada and their manufacture provides jobs to a great number of Canadian workers whose earnings benefit the whole of our economy.

The hon. member for Three Rivers, minister of transport in the previous government, announced on May 12, 1961 that the Canadian government intended to introduce a legislation which would restrict coastal shipping to ships registered in Canada. On November 12, 1962, the hon. member reaffirmed his government's intention to amend the legislation so as to give effect to that proposal from May 12, 1961.

On June 13, 1963, the President of the Privy Council, who was minister of transport during the last session, has stated anew that the present government still intends to amend the legislation in order to reserve the coastal trade for Canadian ships.

Many foreign ships, including those of the United States, Australia, Italy, France, Greece and Western Germany reserve the coastal trade for ships flying the flag of their respective country.

Canada is fully justified to pass such a measure, for is could help greatly the economy and give employment to workers that could build ships as well as to crews of ships flying the Canadian flag.

About 15 days ago, the national federation of metallurgy submitted to the federal cabinet a brief asking that a Canadian merchant marine be set up. That brief contained a letter from the late Hon. Ian A. Mackenzie, former minister of veterans affairs—it goes back to June 4, 1945, that is 20 years ago—addressed to the Vancouver shipyard workers:

> On behalf of the Canadian government, I wish to express to you Canada's appreciation for your contribution to victory. The workers of British Columbia, using new techniques acquired since the beginning of the war, built ships totalling three million tons: 53 warships, 231 transport ships—for a total cost of $500 million, half of which was paid in salaries locally; 65 ships are under construction. When you started, 90 per cent of the materials were imported. At the present time, 90 per cent are Canadian made, and this ensures the continued existence of our shipbuilding industry.
>
> Thanks to your competence, your zeal and your energy, in other words, thanks to you, workers, Vancouver's maritime industry is unparalleled from the point of view both of equality and production

Canada is grateful to you and assure you that your competence and your skills will be necessary for future tasks—

And here, Mr. Speaker, is the most important part of the letter written 20 years ago:

Let us not repeat past mistakes. The present government believes that Canada's shipbuilding industry is here to stay.

The navy and the merchant marine you have built up will be retained and developed. The ships you have built will transport Canadian products to the four corners of the world thus creating employment and opportunities for Canadian workers.

The present government has set forth and is now carrying out policies to ensure employment and to expand our trade in the post-war era. Your skill will be needed in the shipyards and in the new industries which will be set up through our expanding trade.

The government which has prepared and launched this vast shipbuilding program in Vancouver requests your help to carry out the projects it has devised to ensure that you are employed in the trades in which you have become so highly skilled.

Sincerely yours,
Ian A. Mackenzie,
Minister of Veterans' Affairs.

Mr. Speaker, that letter was written 20 years ago. It is being said that the present government has prepared plans which it is now carrying out, but I believe that those plans were put aboard a destroyer and that they sank to the bottom of the ocean.

Now, on page 6 of that brief, one can find the following lines:

That state of affairs is all the more distressing since Canada has a maritime tradition she can be rightly proud of. During the years following 1867, this country came fourth among the countries having a merchant marine. We came third as shipbuilders during the last war, next to the United States and Great Britain.

What is possible during war time is also feasible during peacetime for constructive purposes. The setting up of a modern merchant marine would guarantee the expansion of our foreign trade and would contribute actively to the increase of our exports. It would provide employment to thousands of Canadians and bring about the technical renovation of a major sector of our heavy industry. It would provide additional revenue to several related industries and to various localities. Finally, it would provide a prompt solution to one of our major economic problems, that is the chronic deficit of our balance of international payments.

And the same brief continues as follows:

We have at our disposal the capital and the human and material resources we need. At this stage, the federal government must make a decision, and it must act right now.

A while ago, I noticed that the hon. member for Levis (Mr. Guay) mentioned goods such as iron ore, wheat and lumber, whose shipping alone would keep going a fleet of 40 ships.

[Mr. Beaulé.]

And again, in the same brief, the shipping of iron ore, wheat and lumber is mentioned. Here is what it says:

These three types of shiploads make a total of 22.1 million tons. The shipping alone of these three kinds of goods would require a fleet of 40 ships of 25,000 tons each, at the rate of two trips monthly.

Mr. Speaker, I think that this is an area which should not be disregarded by hon. members.

I also congratulate the hon. member for Levis for having supported the resolution. I think that the time has come for the government to act.

Mr. Speaker, putting the merchant marine back into service in Canada is a necessity for our Canadian economy. The coastal trade for instance should be more important in Canada than in any other country, considering our geographical position, and the great extent of our coastal and interior waters.

The great lakes, are, after all, inland seas. The coastal trade helps to train sailors and shipowners. If the existing legislation is maintained, which tolerates an almost disloyal competition, and forces our shipowners, whose vessels engage in the coastal trade, to struggle under exceptionally difficult conditions, they will be unable to stand up to that competition, and a crisis will ensue which will be difficult for Canada to overcome.

Our coastal waters could very well be invaded by ships registered anywhere in the commonwealth, except in Canada.

That is why it is high time for Canada to have her own merchant navy. This could also keep that shipping revenue in Canada, which would help maintain a favourable balance of payments in our international trade.

[*Text*]

Mr. Harold E. Winch (Vancouver East): Over the years I have always been in favour of Canada having a merchant marine. I am therefore very much in support of the principle of the motion which is now before us.

However, this is one of the most complicated matters with which we could be asked to deal. A great many of us remember the time when Canada did have a merchant marine, and a good one. Because of government policy, or perhaps because of competition, we lost our merchant fleet. Therefore, when we consider in principle building another one we should take into consideration the reasons why we lost our merchant marine, and the difficulties which would face the establishment of a new one. There is the question of the cost of the ships and of the existence of a profitable contractual basis for shipowners, shipbuilders and the union. There is the question of the standardization of costs in the

operation. There are so many imponderables that this is a matter which could not be discussed in one hour in this house.

My only purpose in rising is to say that I have always been in favour of the re-establishment of a Canadian merchant marine. I believe that as an export nation and with the shore line we have on the Atlantic, the Pacific and the great lakes, we are required to have a merchant marine; but I also believe that in order to make certain that we bring into being a new merchant marine of the most modern, efficient and functional nature, it requires a great deal of study and will require commitments by those who build and those who operate. Therefore, sir, I most certainly hope that in the furtherance of the principle and the belief that we should have a merchant marine, this motion will be referred to a committee of the House of Commons for a full and continuing study, with a report being brought back to the house.

Mr. J. E. Lloyd (Halifax): Mr. Speaker, with the wording of the notice of motion before us, one cannot quarrel in any respect, depending of course on how one may interpret it. It says:

> That, in the opinion of this house, the government should consider the advisability of reviving the Canadian merchant marine.

In a general sense I say that Canada needs to keep itself informed in any field of economic activity, whether it be in the production of goods, the production of services or in the utilization of its skills in the production of ships for the carrier trade of the world. Canada lives today in a state of international economic circumstances that challenges our imagination as to what course we should choose for the future. Indeed, there is very little in the past to guide us except to remind us of events that may have been happy ones, or sometimes unhappy ones. Our shipbuilders learned their skills in the past. We have inherited this ability to construct ships in Canada that were much needed, sorely needed indeed, a few years ago during world war II, as they were also needed in world war I. So that when you approach the reasons why a nation should undertake to promote a particular economic activity, you find very often reasons for undertaking such proposals that do not appear on the surface when you first examine the question. I have heard some say quickly, and with apparent good reason and common sense, that if we build a merchant fleet, man it and endeavour to develop cargoes for these ships to the international ports of the world, we may very well lose some of our export trade because those foreign countries who derive foreign exchange from the carrier trade will not have the wherewithal with which to purchase our particular goods. This is a superficial argument and I think that when very close examination is given to it, it will not stand up in this age of multilateral trade and great strivings to bring nations of the world into freer relationships in trading, the production of their goods and services with each other.

What we are looking for throughout the world, with the exploding population that we have, is an expansion of production to meet the total world needs, and no longer can we hide our heads in the sand, like the ostrich, and hope that world events will not touch us. It is inevitable that they will. It seems to me that in our pursuit of national economic goals, which we are told by those who are skilful in these fields are full employment, price stability, maximum multilateral trade and steady growth of our national production—these are the standard words that are used—surely we must, through education and experience, also remember that a great asset which we have is the skill of our people in the production of goods, and one of those great skills is the production of ships. I think that Canada would indeed suffer greatly, if it has not already suffered, by its unwillingness to at least make some degree of investment in the maintenance of a merchant marine.

There is no doubt whatsoever that to all of us in the Atlantic provinces and many others it seems that Canada should not exist without ships of this nation traversing the oceans of the world. We have long believed this was part of our development in the first place. Sir Samuel Cunard thought so many years ago, and he was able to meet the competition in those days. Surely to goodness we can find for ourselves some share of the carrier service internationally in this year 1964, and carrying on in the future. I subscribe to the view that a Canadian merchant navy will provide a splendid opportunity for young Canadians to have a career in the trading services, as the hon. member for Saint John-Albert (Mr. Bell) pointed out a short time ago.

I believe that the maintenance of our skills in shipbuilding will be required by Canada to hold its place in the changing pattern of international trade and commerce. I believe, also, that we need to utilize all our capabilities in the field of production and should be ready to meet with a very flexible capability any changes that are bound to occur. In the past decade the rebuilt and modernized economies of other countries have become increasingly vigorous and imaginative. Those countries I believe have managed to obtain for

themselves a share of the international carrier trade, and even without it they would still have maintained their trading patterns with Canada.

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A to inform the house that the following questions to be raised at ten o'clock this day are as follows: Mr. Howard (Skeena), the regulations respecting government wharves; Mr. Herridge (Kootenay West), activities of the United States in Viet Nam; Mr. Douglas (Burnaby-Coquitlam), increase in the price of sugar.

The house will resume the business interrupted at five o'clock.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureux in the chair.

INCOME TAX ACT

'Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

1. That for the 1964 and subsequent taxation years the deduction from income granted in respect of certain tuition fees be extended to include tuition fees paid by a taxpayer who is a student, whether or not he is a full time student, to an educational institution in Canada

(a) that is a university, college or other educational institution providing courses at a post-secondary school level,

(b) that is a school operated by or on behalf of Her Majesty in right of Canada or a province, a municipality in Canada, or a municipal or public body performing a function of government in Canada,

(c) that is a high school or secondary school providing courses leading to a secondary school certificate or diploma that is a requirement for entrance to a college or university, or

(d) that is certified by the Minister of Labour to be an educational institution by which courses are conducted that provide or improve the qualifications of a person for employment or for the carrying on of a business or profession,

if the tuition fees paid by the taxpayer for the year exceed $25.

2. That for the 1964 and subsequent taxation years a dependant in respect of whom a taxpayer may deduct an amount not exceeding $550 in computing his taxable income shall include a taxpayer's brother or sister who was 21 years of age or over and in full time attendance at a school or university.

3. That the period commencing on December 5, 1963 within which a new manufacturing or processing business must have commenced manufacturing or processing in reasonable commercial quantities in a designated area in order to obtain a certificate for the purposes of section 71A of the act be extended to March 31, 1967.

4. That for the 1964 and subsequent taxation years in determining whether 95 per cent of the assets used in a business were new and situated in a designated area, for purposes of establishing under section 71A of the act that a person was carrying on the business in a designated area, the value of the assets shall be their fair market value notwithstanding that such value may be different from their capital cost.

5. That where at a time when an area was a designated area a business has been certified to be a new manufacturing or processing business, or an application has been made in writing to the Minister of Industry by a taxpayer in respect of a business that upon the fulfilment of specified conditions would be certified to be a new manufacturing or processing business in the designated area, that area, notwithstanding that it may no longer be a designated area, shall for the purpose of the application of section 71A of the act to that particular business continue to be a designated area.

6. That for the 1962 and subsequent taxation years a taxpayer may deduct in computing income all expenditures of a current nature for scientific research carried on outside Canada that are expenditures made in the year

(a) for scientific research related to the taxpayer's business directly undertaken by or on behalf of the taxpayer, or

(b) to an approved association, university, college, research institute or other similar institution to be used for scientific research related to the taxpayer's business.

7. That for the 1964 and subsequent taxation years a taxpayer may deduct in computing income amounts expended by him in relation to an objection to an assessment or an appeal from an assessment and shall include in computing income any costs recovered in respect thereof.

8. That for the 1964 and subsequent taxation years a taxpayer may deduct in computing income an amount paid in the year or in a previous year since 1962 as a contribution to or under a registered pension fund or plan in respect of services rendered by him in past years while he was a contributor even if he also deducts an amount as a contribution in respect of services rendered by him in past years while he was not a contributor, but the maximum amount deductible in a year in respect of past services while he was a contributor shall not exceed $1,500 minus the aggregate of the amounts deducted in the year in respect of services rendered by him in the year and in respect of services rendered by him previous to the year while he was not a contributor.

9. That for the 1964 and subsequent taxation years the period of 60 days from the end of a year within which an employer may pay an amount to or under a registered pension fund or plan in respect of services rendered by his employees be increased to 120 days.

10. That for the 1964 and subsequent taxation years it be made clear that any amount received by an employer upon the winding up or reorganization of a pension fund or plan shall be included in his income.

11. That for the 1964 and subsequent taxation years subsection (3) of section 12 of the act, which provides rules concerning an outlay or expense payable by a taxpayer to a person with whom he was not dealing at arm's length, be amended so that a taxpayer who at the end of his taxation year has a liability that

(a) arose in respect of a non-arm's length transaction,

(b) was deductible in computing his income, and

(c) has been outstanding for two years following the end of the taxation year in which it accrued

must include in income for the third year after it accrued an amount equal to the liability, unless

the debtor and creditor sign and file an agreement in which they elect to have their taxes computed as though the debt had been paid and replaced by a loan on the first day of that third year.

12. That the 20 per cent rate of tax payable by a non-resident person on dividends paid or credited to him after 1964 by a corporation resident in Canada that does not have a degree of Canadian ownership be reduced to 15 per cent, and that in consequence thereof:

(a) Part IID of the act imposing a tax equal to 5 per cent of certain dividends paid by a corporation that does not have a degree of Canadian ownership be repealed;

(b) the 20 per cent rate of tax imposed by Part IIIA of the act on income earned after 1964 by a non-resident corporation carrying on business in Canada be reduced to 15 per cent; and

(c) the 20 per cent rate of tax imposed on the taxable income earned after 1964 by a non-resident-owned investment corporation be reduced to 15 per cent.

13. That for the 1964 and subsequent taxation years, where a taxpayer has disposed of his interest in a partnership, such part of the consideration as is reasonable in the circumstances shall be deemed to be proceeds of disposition of depreciable property of the taxpayer used in the partnership business.

14. That for the 1964 taxation year the amount deductible in computing taxable income in respect of a dependant child who was over 15 and under 18 years of age at the end of the year shall not exceed $470 if an allowance was paid under the Family Allowances Act in respect of the child for any month after the month in which he attained the age of 16 years.

15. That for the 1965 and subsequent taxation years, a child shall be regarded as a child qualified for family allowance for any year at the end of which he was over 15 and under 18 years of age, if an allowance under the Family Allowances Act was paid in the year in respect of that child after the month in which he attained the age of 16 years.

16. That with regard to the definition of degree of Canadian ownership in section 139A of the said Act, the said measure provide as follows:

"(1) Subparagraph (ii) of paragraph (a) of subsection (1) of section 139A of the said Act is repealed and the following substituted therefor:

"(ii) either

(A) not less than 25 per cent of the issued and outstanding shares of the corporation having full voting rights under all circumstances were owned by one or more individuals resident in Canada, one or more corporations controlled in Canada or a combination thereof, and equity shares representing in the aggregate not less than 25 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation were owned by one or more individuals resident in Canada, one or more corporations controlled in Canada, or a combination thereof, or

(B) a class or classes of shares of the corporation having full voting rights under all circumstances were listed on a prescribed stock exchange in Canada, and it is established in prescribed manner that no one non-resident person and no one corporation that did not comply with clause (A) of this subparagraph owned more than 75 per cent of the issued and outstanding shares of the corporation having full voting rights under all circumstances, alone or in combination with any other person related to such non-resident person or such corporation at any time within the period within the meaning of subsection (5a) or (5b) of section 139, and a class or classes of equity shares of the corporation representing in the aggregate not less than 50 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation were listed on a prescribed stock exchange in Canada, and it is established in prescribed manner that no one non-resident person and no one corporation that did not comply with clause (A) of this subparagraph owned equity shares representing in the aggregate more than 75 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation, alone or in combination with any other person related to such non-resident person or such corporation at any time within the period within the meaning of subsection (5a) or (5b) of section 139, and"

(2) Subsection (1) of section 139A of the said act is further amended by striking out the word "or" at the end of paragraph (a) thereof, by repealing paragraph (b) thereof and by substituting therefor the following paragraphs:

"(b) the corporation complied with the conditions specified in subparagraphs (i) and (iii) of paragraph (a) and was a subsidiary wholly-owned corporation subsidiary to a corporation that throughout the sixty day period complied with the conditions specified in paragraph (a) or (c); or

(c) the corporation complied with the conditions specified in subparagraphs (i) and (iii) of paragraph (a) and was a subsidiary controlled corporation

(i) having issued and outstanding equity shares none of which were owned by a person other than

(A) the corporation to which it was subsidiary,

(B) a non-resident person not related to the corporation to which it was subsidiary,

(C) an individual resident in Canada, or

(D) a corporation controlled in Canada, and

(ii) subsidiary to a corporation that throughout the sixty-day period complied with the conditions specified in paragraph (a) or (b)."

(3) Paragraphs (a) and (b) of subsection (2) of section 139A of the said act are repealed and the following substituted therefor:

"(a) a corporation that has share capital is not controlled in Canada at a particular time unless at that time the corporation is resident in Canada, and more than 50 per cent of its issued and outstanding shares having full voting rights under all circumstances, and shares representing in the aggregate more than 50 per cent of its paid up capital are owned by

(i) individuals resident in Canada,

(ii) corporations resident in Canada with respect to each of which

(A) more than 50 per cent of the issued shares having full voting rights under all circumstances, and

(B) shares representing in the aggregate more than 50 per cent of the paid up capital

are owned by individuals resident in Canada, or

(iii) any combination of individuals or corporations described in subparagraph (i) or (ii);

(b) where

(i) a non-resident person,

(ii) a corporation that does not have a degree of Canadian ownership, or

(iii) a corporation that is related to a non-resident person within the meaning of subsection (5a) or (5b) of section 139

has a right under a contract in equity or otherwise either immediately or in the future and either absolutely or contingently, to, or to acquire, equity shares in a corporation, those shares shall

(iv) unless the right is contingent upon an event that it is not reasonable to expect to occur within a reasonable time, or

(v) unless the right is such that a reasonable man concerned only with the value of the shares would not exercise it.

be deemed

(vi) to be owned by the person who has the right.

(vii) to be owned by a non-resident person, where the person who has the right is a corporation described in subparagraph (ii) or (iii), and

(viii) where the shares are unissued,

(A) to be issued and outstanding, and

(B) to have a paid-up capital value, with respect to each share, equal to

1. the par value, where the shares have a par value,

2. the amount that would be paid with respect to each share to exercise the right under the terms of the contract, where the shares have no par value and an amount is specified in the contract, or

3. the market value at the end of the relevant sixty day period of a share of the class of shares of that corporation that is most closely similar to that share, where the shares have no par value and no amount is specified in the contract,

and any other person who actually owns the shares in respect of which that right exists shall be deemed not to own those shares."

(4) Subsection (2) of section 139A of the said act is further amended by striking out the word "and" at the end of paragraph (c) thereof and by adding thereto the following paragraphs:

"(e) "equity share" means

(i) a share, the owner of which has, as owner thereof, a right

(A) to a dividend, and

(B) to a part of the surplus of the coroporation after repayment of capital, upon the redemption of the share, a reduction of the capital of the corporation or the winding-up of the corporation, as great as the right of the owner of any other share of the corporation, when the magnitude of the right in each case is expressed as a rate based on the paid-up capital value of the share to which the right relates, and

(ii) a share, the owner of which has, as owner thereof, a right

(A) to a dividend, after a dividend at a rate not in excess of 8 per cent per annum has been paid to the owners of shares of a class other than the class to which that share belongs, and

(B) to a part of the surplus of the corporation after repayment of capital, upon the redemption of the share, a reduction of the capital of the corporation or the winding-up of the corporation, after a payment of a part of the surplus at a rate not in excess of 10 per cent has been made to the owners of shares of a class other than the class to which that share belongs,

as great as the right of the owner of any other share of the corporation, when the magnitude of the right in each case is expressed as a rate based on the paid-up capital value of the share to which the right relates; and

(f) "paid-up capital value" with reference to a share, means

(i) in the case of an unissued share that is deemed by paragraph (b) to be issued and outstanding, the amount determined under clause (B) of subparagraph (viii) of that paragraph, and

(ii) in any other case, an amount equal to the paid-up capital of the corporation that is represented by the shares of the class to which that share belongs divided by the number of shares of that class that are in fact issued and outstanding."

(5) In the case of a taxation year commencing before January 1, 1965, of a corporation that would have had a degree of Canadian ownership in the 1964 taxation years if section 139A of the said act had not been amended by this act, that portion of subsection (1) of section 139A of the said act, as amended by this act, that precedes paragraph (a) thereof shall, if the corporation elects in prescribed manner before January 1, 1965, be read as follows:

"139A. (1) For the purposes of this act, a corporation has a degree of Canadian ownership in a taxation year if throughout any sixty-day period commencing after March 16, 1964 and ending before January 1, 1965"

(6) This section is applicable to the 1964 and subsequent taxation years."

and for the purpose of determining whether a corporation had a degree of Canadian ownership for the purposes of paragraph (b) of subsection (1a) of section 106 of the said act, section 139A of the said act shall

(a) in relation to any dividend declared on or before March 16, 1964 be read as if it had not been amended by the said measure, and

(b) in relation to any dividend declared after March 16, 1964 be read as amended by the said measure.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Grégoire: Mr. Chairman, in starting my remarks tonight perhaps you will allow me to offer congratulations to the hon. member for York West (Mr. Kelly), who made a great effort and played so well to assist his team in winning the Stanley cup. I think he deserves to be congratulated because he is a gentleman on the ice, as well as a very good player.

[*Translation*]

Mr. Chairman, at the close of my remarks this afternoon, I referred to a necessary change in the Income Tax Act, especially with regard to receipts for charitable donations, which may be included in the income tax return for deduction purposes.

This act needs to be changed and I believe everybody here will agree. Efforts must be made to amend this part of the Income Tax Act, but until the said act is amended, it seems to me rather strict recommendations should be made to the Quebec taxation officers in order that they themselves may be the first to respect the legislation we voted in this house, and that they stop harassing the taxpayers as they do at the present time.

We already have a suggestion to amend this legislation and it should be included in the budget resolutions. Here is this suggestion: For the first $3,000 taxable income, there should be an automatic deduction of 10 per cent for charitable donations, without receipts being required; for the next $2,000

or $3,000, the percentage may be 7½ per cent, and for the next $1,000 or $2,000, it may be reduced to 5 per cent.

In the case of the companies, this measure would not be as necessary since unit payments of each company are higher than those of individuals and these companies are in a better position—they have accountants, a bookkeeping service specializing in taxation settlements—to meet these Income Tax Act provisions.

But in the case of individuals, it is urgent to amend the act. We must put an end to the violation of the law, as I have shown this afternoon by striking and typical cases, by officials of the tax department and especially to unsatisfactory investigations, where the taxpayers are not consulted and are often treated with scorn.

Mr. Chairman, we are ready to pass amendments to the tax act, especially in order to cut taxes. But we think that those amendments are also needed and we ask the minister to deal with them as soon as possible.

After the study in committee of those resolutions, a bill will be put before us in order that we may pass it. In my opinion, the minister should make an effort so that when the bill on budget resolutions is introduced this year, the Income Tax Act will be amended in order to allow a standard reduction for charity purposes for all taxpayers, without having to supply receipts. We would thus eliminate the continuous complaints that we now receive. May I tell you, Mr. Chairman, that we receive every week dozens of complaints from taxpayers about the discriminatory and dictatorial ways of tax inspectors and assessors.

May the Minister of Finance and the Minister of National Revenue make an effort as soon as possible to improve this legislation accordingly.

[*Text*]

Mr. Gordon: Mr. Chairman, I might clear up one or two points which have been raised, mainly on paragraph 1, because I think it would be easier to answer some of the other questions relating to the following paragraphs when we come to them. The hon. member for Nanaimo-Cowichan-The Islands, in discussing the proposed exemption for students' fees, raised the question of textbooks, and also various other items of expense incurred by certain individuals in the process of earning their income. This is one of the questions which I have no doubt—in fact I am sure—is being studied carefully by the royal commission on taxation. It is a very difficult and complicated question, and it seemed to me that as the report of the commission will be available some time this fall we should wait until we receive it, before reaching a conclusion on that particular point.

The hon. member for Lapointe has dealt with a question which is not covered by these resolutions, but with the indulgence of the committee perhaps I might be allowed to make a brief comment with regard to it. He has talked about the difficult question of deductions for charitable donations and the difficulties which the administration of this problem has caused both in his province and in other provinces of Canada. This matter was raised at some length and in some detail by various hon. members last fall, and I can assure all hon. members that since then I have given considerable thought and consideration to this problem. I discussed it on many occasions with our late colleague, the then minister of national revenue, who was very concerned to see that this difficulty is resolved. However, as I said in my budget speech, we came to the conclusion that with the resources at our disposal and with the time available I was not prepared to make a recommendation which I felt would meet all of the difficulties which had been raised.

Therefore the matter was referred specifically and directly to the royal commission on taxation, and the chairman was asked, with the advantages of his not inconsiderable research staff and the special qualifications of the members of his commission, whether he would address himself to this particular problem and give us his commission's best judgment on how to resolve it. As I said when the budget was brought down, that is where the matter stands. It has certainly not been ignored by the government; we are taking it seriously, but we think we should take advantage of the machinery which is now available and which will not always be available—because the commission expects to wind up its operations this fall—to make a careful study of this question.

I can assure the hon. member for Lapointe that his point concerning the administration of individual income tax offices was one which was carefully noted by the previous minister of national revenue, and I can assure him that his remarks will be equally noted and seriously considered by the present minister. Further than that I do not think I should go; it would be straying away from the resolution which is before us. I think I have answered the questions that have been raised so far with regard to paragraph 1, and perhaps I might deal with the others when we come to the respective paragraphs.

Mr. Martineau: Mr. Chairman, before getting into the crux of the subject I should like to follow the example of the hon. member for

Lapointe and congratulate the hon. member for York West upon his fine performance on Saturday night. I am sure you will not rule me out of order, Mr. Chairman, because we are on the income tax resolution, and as I understand the hon. member is getting some kind of subsidy amounting to about $4,000 it might be interesting to know whether this sum is taxable. I do not know whether the minister would care to comment on that. Regardless of whether or not it is taxable, I think the hon. member deserves to be congratulated. He earned all he got and a lot more, and in making these remarks I believe I am reflecting the sentiments of the whole house.

[*Translation*]

Mr. Chairman, since we are discussing the budget resolution concerning the Income Tax Act, it is in order to make certain comments on taxation. The resolution was set forth in the following terms:

Resolved that it is expedient to introduce a measure to amend the Income Tax Act—

To legislate some specific things, among others.

I feel I must urge the minister at this time to consider the pressing need for a reduction of taxes in general and especially personal income tax which, in the opinion of many of our country's economists, has reached a level which is beyond all reason and might be called confiscatory.

I know that the minister may answer me as he did before. He will say that he cannot, at this stage, consider reducing taxes because a commission is now studying the whole Canadian taxation system and nothing can be changed in the system until that commission has submitted its report.

It may well be, Mr. Chairman, that after the commission has presented its report, the minister will then take that opportunity, in order to continue to temporize, to say that the report must now be fully considered.

You can see where that will lead us. It will lead us to a long period of inaction and stagnation. For it is a recognized fact that the fiscal and taxation structure in our country is precluding those very results the minister is hoping for, that is, an expansion of the economy and the economic activity in this country.

The Minister of Finance might say that the members on this side of the House do not seem to agree on the advisability of reducing taxes. As a matter of fact, the minister did say that—he even attempted to make me contradict my colleague, the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), by saying that he was against a reduction of taxes while others like myself, had spoken in favour of a certain reduction.

[Mr. Martineau.]

Well, I think that the Minister of Finance is attempting to spread confusion unduly as regards this question, which is however very clear. The former minister of finance, the hon. member for Digby-Annapolis-Kings, did say at a certain time, during one of our party's conventions, that he was against a particular reduction, that is to a resolution which would compel our party, once it would become the government, for it will soon be in power again, to reduce taxes in a particular sector and by a certain amount.

Such a stand is logical, of course, as we cannot—and the Minister of Finance will agree—impose specific measures on a minister of finance, who should be entirely free to determine what taxes that should be reduced, which ones should be maintained and which ones should be repealed. We all agree on that point but we, on this side of the house, sincerely feel that in general taxes should be reduced immediately.

If we take that attitude it is because we believe in fiscal responsibility. The minister may claim that, regardless of what some people say, American taxpayers are more heavily assessed than their Canadian counterparts. Such a contention must be examined closely and distinctions have to be made. A Canadian financial paper, the *Financial Post* of Toronto has made a proper comparison between American and Canadian taxpayers.

Mr. Chairman, I hope you will not call me to order because, as I said at the outset of my remarks, we are considering the Income Tax Act and the amendments to be made to it. And we say that these amendments must tend to reduce taxes, so as to make it possible for the Canadian industry to shake off its shackles, which is impossible as long as the government will not assume energetically its responsibilities in that field.

As I was saying, the United States did not wait for the findings of a commission of inquiry or a similar commission to cut taxes substantially. That cut will range between $11 and $12 billion. You must admit that a cut of $11.5 billion is quite extraordinary. Such a step was taken because the United States realized that it was the only way to step up the economic expansion and, if need be, to free the capital needed to increase consumption and the industrial, commercial and financial activity of the country in general.

It could be done, because they knew at the same time how to take strong measures in order to reduce government expenditures. That is the reason why, and the minister is quite aware of it, in the current United States budget, a $3 billion cut in government expenditures has been forecast. But here, what do we do? It is stated with an emotion which

I do not think is genuine or certainly with an obvious lack of logic, that economic activity must be stepped up.

However, taxation deprives the taxpayers of gains they could have reinvested in production. In fact, it is like an octopus reaching with its arms in every direction and devouring anything that gets in its way. The government increases its control over everybody's income by its fiscal policy. Thus, the Minister of Finance has to collect the necessary revenue in order to pay the increasing governmental expenditures. His attitude is surely inconsistent. If he does not believe me, he only has to consider the financial reports throughout the country and the editorials in newspapers such as the *Financial Post* and the *Financial Times*. Every responsible paper in the country does not hesitate to show in very strong terms the inconsistency of the minister's attitude and, at the same time, of the government's position.

I shall refer again to the example of two average taxpayers, one living in Canada, and the other in the United States, both earning a salary of $10,000 a year. What is the situation of both taxpayers in the federal taxation field? The American will pay $1,799 in federal income tax while the Canadian taxpayer will pay $1,664. This means that mathematically, as far as figures are concerned the American wage earner has a net income of $8,201 and the Canadian wage earner a net income of $8,336, that is the Canadian will get about $135 more than the American wage earner, after deduction of the federal income tax.

But such is not the real situation. It must be remembered that in general, wages in United States are much higher than in Canada for similar jobs or trades. When the average American wage earner gets $10,000 per year to perform a certain type of work, his Canadian counterpart who does the same work, according to the data compiled by the *Financial Post* of March 21, 1964, gets only $7,500. So there is a wide difference between the salary of the American taxpayer, whether he is a plumber, an electrician or an unskilled labourer, and that of the Canadian taxpayer. Before income tax deductions, there is already a difference of $2,500 in salary and, after tax deduction, the average American still has $8,201 but the Canadian only has $6,462 left. In other words, Mr. Chairman, the Canadian taxpayer doing the same kind of work as the American taxpayer gets about $2,000 less than his counterpart.

And the disparity is still wider because the American is paid in American dollars, which is normal; while the Canadian is paid in Canadian dollars which are at a discount; therefore when the American taxpayer receives $8,857, the Canadian taxpayer receives only $6,462. Then the gap is about $2,400. And one must also consider that American dollars have more purchasing power than Canadian dollars. It is generally agreed that the American taxpayer pays less for consumer goods than the Canadian taxpayer.

Therefore, Canadian taxpayers are clearly at a disadvantage compared with the Americans. And yet, the minister draws a comparison with the American taxpayer to deprive the poor Canadian taxpayers of the income tax cut they clearly need. In so doing he does not seem to consider the greater need we have in Canada for capital, that is, for savings. How could the Canadian taxpayer save money when every dollar he could normally put aside is taken or confiscated so to speak, by income tax? What does such a situation lead to?

As a result, the economic and industrial development of Canada is seriously set back because Canadians simply cannot afford to save the capital required for investment.

It is all very well for the minister to travel across the country and deliver great speeches on the need for Canada to control its industry. Those are fine statements of intent but it would be much more important for the minister to give the Canadian people the financial means to save and invest those savings in Canadian productive industries. Otherwise, we will unavoidably have complete foreign control over our industry. Unfortunately, there is no other outcome for the stand taken by the minister on that matter.

That is where the minister will lead us, and this would be a result we would all deplore.

At this stage where this budget resolution respecting Income Tax Act is being discussed, I believe the Minister of Finance, who is the high priest of finance in Canada, should not try to find excuses—it is too late now that he has assumed the duties of Minister of Finance—but legislate or at least introduce in this parliament legislation to follow through or make possible the objectives which he said were his and which seemed to him so easy to reach when he sat on the opposition side.

Mr. Chairman, I shall have the opportunity, when we consider the various articles of this last resolution to ask pertinent questions of the minister.

For instance, as regards article No. 1, I wish the minister would tell us how much this provision would cost the federal treasury.

Moreover, I would like the minister to give us, if he has them at hand, the figures indicating the total number of persons to be affected by this reduction granted for tuition

fees. We support this measure for we believe it is a means through which the federal government can, without interfering in the field of teaching and education, a strictly provincial field, help by an abatement the person who wishes to improve his education. However, we wish we knew how much this will cost the Canadian treasury. We would also like to know how many persons will benefit.

Another question which comes to my mind is which body or agency will decide whether such and such a course will benefit from the deduction. In fact, the clause states:

> —the deduction from income granted in respect of certain tuition fees be extended to include tuition fees paid by a taxpayer who is a student, whether or not he is a full time student, to an educational institution in Canada.

I, therefore, ask the minister to tell us who, in the federal government will define what he means by "an educational institution in Canada"?

I also find that paragraph (d) of clause 1 defines an educational institution in Canada as follows:

> —that is certified by the Minister of Labour to be an educational institution by which courses are conducted that provide or improve the qualifications of a person for employment or for the carrying on of a business or profession.

That is, to my mind, giving up to a point the Minister of Labour (Mr. MacEachen) some control over education. If we look more closely at the situation, it will be realized that practically any course may be described as providing or improving the qualifications of a person for employment. Indeed, even a classical course, in the terms devoted to literature or the humanities, or similar things, may very well be put forward as helping people improve their knowledge and general training, and increase their chances of securing more remunerative and responsible employment.

Therefore, I would say that the provision should be extended not only to courses recognized by the Minister of Labour, but also to courses which could be recognized by agencies coming under the provincial departments of public education or the secretary of the province which has no department of public education; I think the provisions of section 1(d) are on the one hand too restrictive and on the other they are not restrictive enough if the Minister of Labour can decide what courses are eligible under the special provisions of that section.

No doubt the Minister of Finance will clear up the matter and assure us that the federal government has no underlying intention of interfering in a strictly provincial field.

As far as the $25 limit concerning the deduction for tuition fees is concerned, I feel

that it is not appropriate; providing that a taxpayer has paid tuition fees, he should be entitled to a full deduction for income tax purposes.

Mr. Chairman, those are the few remarks I wanted to make concerning the Income Tax Act in general and more particularly with regard to paragraph 1. I would be pleased if the minister would give me the proper answers as I am particularly anxious to get them.

[*Text*]

Mr. Cardiff: I wonder if the minister could tell us why it is that changes are made each year in the income tax return forms? Each year they have different wording that has the same meaning, but it confuses a lot of people. Surely it is not necessary to change forms each year.

Mr. Gordon: I think the hon. member has a good point and possibly the Department of National Revenue, when it is striving for perfection, strives a little hard on occasion. The trouble is that as we change the law from year to year in parliament we complicate the lives of people who draw up these forms, as well as the lives of the people who have to pay the taxes. On behalf of the Acting Minister of National Revenue I can assure my hon. friend that his officials do the best they can. Perhaps it would be better if the form were not changed every year, and I will put the suggestion to the minister.

Mr. Cardiff: The forms should be in the simplest language possible, so that people may understand it. It may be all very well for people with good education; but a lot of people who have to make out these forms and pay income tax do not have much education, and the result is that they have to get the services of a chartered accountant to assist them in completing the forms.

Mr. Rynard: Mr. Chairman, I would like to make a few comments on paragraph 1 with regard to education. I think the minister has recognized that education is a very important thing in Canada today, and we have only to look at a few figures to realize how expensive it is.

Automation has made education a national necessity for our survival. Over the past three years our elementary and secondary school population have more than doubled, while our total population only increased by a little over 14 per cent. During the same period our educational expenses increased by 382 per cent. Very careful note should be taken of this, and also of the fact that during the same period of time these expenses represented an increase from 2.5 per cent to almost 5 per cent of our gross national product.

In a period of five years enrolment in universities increased from 86,000 to over 141,000, and this pace will increase more and more.

I feel that education must be national in scope. Indeed, this was recognized by the federal government when we built vocational schools, or rather when we assisted provinces to build vocational schools and paid three-quarters of the cost of building and equipping them. As a matter of fact, the previous Conservative government spent over $300 million on a crash program to train young men and women in readiness for automation. I should like to say to the minister that education imposes a very heavy burden on the municipalities. Around 50 per cent of the municipal tax dollar today goes into education and I should like to suggest to the minister that this 50 per cent should be allowed as an exemption. I think this is important because 70 per cent of the taxpayers in municipalities have incomes of $4,000 or less.

I know that part time and full time students are to be allowed exemptions if the fee is $25 or over. I am a little puzzled about paragraph 2, which reads:

> That for the 1964 and subsequent taxation years a dependant in respect of whom a taxpayer may deduct an amount not exceeding $550 in computing his taxable income shall include a taxpayer's brother or sister who was 21 years of age or over and in full time attendance at a school or university.

I should like to ask the minister why this does not apply to a father or a mother of those dependants—or does it? I am not clear of the amounts. It would look as it if did not apply to a father, a mother, or even a widow—would the minister state present exemptions.

Then I should like to go on to another clause, and ask if the minister intends to allow professional people such as lawyers, dentists and doctors exemptions in respect of postgraduate courses which do not lead to a degree. I should like to ask the minister another question: What is the position of those who are taking agricultural courses, sometimes of short duration, which do not lead to a degree. Are they to be allowed the same exemption? Then I am wondering about equipment. Does this apply to a trade school and, if it does, will the students be allowed exemptions in respect of the tools and equipment it may be necessary for them to buy to take the courses. This is an important point. I am also wondering whether any provision has been made for those in the rural areas who have to travel 20 or 30 miles to take this training. Is this travelling to be allowed as an exemption? It is much harder for a fellow who has to get transportation in order to attend a night school to take his course.

Another thing I wish to comment on is the baby bonus. I want to congratulate the minister on paying this up to the ages of 16 and 17 but I am wondering why he quit before they got out of high school. If these two ages of 16 and 17 are sound, and I agree with the minister it is certainly sound to allow a boy or girl to continue his or her education for those years, it is equally sound to help them finish their course because their earning power will be much higher and they will become a much greater asset to the country. I should like the minister to explain this or reconsider it in the future so that we may carry them over high school, because it does increase their earning power and it comes back as an asset to the country.

Mr. Hales: Before making a few observations on paragraphs 3, 4 and 5 of the resolution I wish to say that we seem to be getting into a more confused and complicated state of taxation all the time. Each year it is becoming more and more difficult to make out our income tax, and it has even got to the position where we have to hire auditors to do the work. I think all one can say of the amendments which the minister brought up last year and is bringing up this year is that they have provided a great deal of work for auditors throughout the country, and we shall have to hire more auditors if we are going to keep up with this. There is nothing in this resolution offering any hope of lower taxes. It is a resolution to a coat-tail budget. The United States introduced reductions in taxation. Any economic upsurge there will spill over into this country and the minister will reap some of the benefit. Therefore, he felt, it was not necessary for him to make those reductions.

Last fall he increased our income tax by 1 per cent in the old age pension section and stepped it up to a maximum of $120. So we see no reduction. We see increases. This is the situation we are confronted with. I propose to confine my remarks to paragraphs 3, 4 and 5 which have to do with changes in the regulations appertaining to the designated areas. I can only surmise that these changes were brought in because it has been a flop. I am speaking of the proposals as far as bringing industries to these areas is concerned. A question appeared on the order paper the other day asking how many industries have been attracted by the designated areas legislation brought in by the Liberal government, and we were told there were some 34. I think there were 35 areas designated in the whole of Canada, so we have less than one per designated area established under this new legislation of the Liberal government.

I should be ruled out of order, I am sure, if I were to attempt to deal with the question of designated areas. I certainly hope that at some time when the estimates of the Department of Industry come before the committee we shall be able to debate the designation of these areas. We have legislation. It was brought about under that act last fall and now we are asked in paragraph 3 to extend the benefits to industries locating in designated areas. We are asked to extend these for four years from December 5, 1963 to March 31, 1967. As I said at the beginning, this seems to be put in here to attract these industries because the former provisions were not palatable enough. So they are saying: Let us extend this for another four years and see if we cannot attract more industries into these areas. Therefore, the country as a whole is being asked to extend this for four years. I would say we would approve this in principle, but we would not approve the basis upon which these areas are designated.

So we go on to paragraph 4. In paragraph 4 the government is asking us to change section 71A of the act whereby, as I understand it—and I hope the minister will correct me if I am wrong—the machinery that is used by a company located in a designated area, under the act as it now stands, has to be 95 per cent new equipment. Now they are asking us to change the act so that this machinery shall be valued at the fair market value; in other words, they are going to make it possible to use second hand machinery. This makes it possible for an industry to move from a town into a designated area and use second hand machinery. They would be able to remove the machinery they are using, start up in one of these areas and reap the benefits of the incentives set up in the act.

I would like to bring to the attention of the Minister of Industry and the Minister of Finance what they had to say about this matter on November 7 last. At that time there was some discussion as to the value of such machinery and whether it should be new or second hand. As reported at page 4496 of *Hansard*, the Minister of Industry said:

> I suggest this is what is most likely to happen if the present legislation is amended so as to allow the advantages of accelerated depreciation and income tax incentives in respect of second hand or used machinery. It is precisely to avoid the likelihood of businesses which, rather than expanding and creating new operations, merely shift their scene of operation from one area to another that we need this provision.

That is why this provision was put in, as I see it, that the machinery should be 95 per cent new if you are going into one of these designated areas. Now they are asking us to put on it a fair market value. What is a fair market value? I presume they mean that if a machine is listed in a company's books as having an actual cash value of, say $15,000, if it was sold on the market that day and brought $5,000, that would be its fair market value and they would be able to use this machinery in moving into a designated area. The Minister of Finance was down in Windsor last November and was asked a question down there concerning this matter. The gentleman asking him the question said:

> Could you give me a quick clarification of the significance of "new" in this context? If I just change the name of my business but I continue to do the same as before, does this mean it is new?

Mr. Gordon replied:

> No, but if you form a subsidiary and you build a great big plant next door, it is new.

That question and answer, quoted to the Minister of Finance by an hon. member, drew from the minister the answer:

> With new equipment.

As I understand it, this very situation exists at the present time in the city of Galt. I am sorry the hon. member for Waterloo South is not here. As the house knows, he has been sick for some time, and I am sure we wish him a speedy recovery. In the city of Galt an industry has been operating for a few years; they are going to pack up and move over to Brantford, and as I understand it they can now take the second hand machinery they have and qualify for the incentives outlined in paragraph 4.

Paragraph 5 is just a matter of continuity. As the minister explained earlier, an area that is now in existence as a designated area, should it cease to be a designated area the plants or industries situated there can continue and reap the benefits under which they went into that area. So they are asking us, under paragraph 5, to grant continuity of the act respecting incentives for operating in designated areas.

Mr. Chairman, I think this covers what I wanted to say on these three paragraphs, 3, 4 and 5. I say again in conclusion what I said at the beginning. It would appear to me that this legislation concerning designated areas has not been successful, and so these changes are brought about in order to make it work a little better and in the hope that it might be successful. I am sorry that we cannot talk about the way in which these areas are designated, but this we will have a chance to do when the industry act is before us for consideration, or perhaps the estimates of the Department of Industry.

Mr. Rapp: Mr. Chairman, I am interested in paragraph No. 2, under which in respect of a brother or sister a taxpayer is allowed to deduct an amount not exceeding $550 if

his brother or sister is a student. I would like to bring to the attention of the minister the fact that $550 deductible from your income tax in respect of a student who lives in the city where the institution or university is situated, is fair and the amount is reasonable; but when a student from the country has to attend school or university in a city his expenses are much higher. These expenses have to cover board and lodging and travelling. I think those who supply the money for this education should be able to deduct at least double that amount; that is, $1,100.

Another thing that I think should be taken into consideration is this. When students have finished their college education and continue their training in hospitals as interns, their parents are not allowed any greater deduction in tax, although this internship is part of their training and involves extra expenses. It is true that some of these students are receiving a certain amount of remuneration, but this far from covers their expenses while they are interns in hospital. I think the minister should take this matter into consideration because, as I said, many students have finished their studies and have received their degrees, but they must serve a period of internship in hospital before they are granted their certificate to practise medicine. I think this is a hardship which many, many parents have to bear in regard to such tuition fees and expenses. Although, as I said before, they are granted a certain allowance which is deductible from income tax, nevertheless this is much less than the cost involved during the period of internship. I would like to bring this matter to the attention of the minister and would ask him to give it his serious consideration.

Mr. Grafftey: On paragraph 2, Mr. Chairman, I would just like to ask the minister whether this paragraph would include legally adopted individuals, legally adopted brothers or sisters, or children in general.

Mr. Gordon: I am sure it would include a legally adopted child, but I do not think you can legally adopt a brother.

Mr. Horner (Acadia): Mr. Chairman, just one or two points on paragraph 1 before it is passed. This paragraph deals with aid to those who are taxable and are receiving higher education. I am thinking particularly of a person who is not earning a taxable income but who is still having his education paid for by his parents. I believe his parents cannot claim the cost of his tuition as an exemption. I suggest that the minister and his department give serious consideration to making such a provision in the case of parents who are bearing the cost of their children's education, their children in turn, for one reason or another, not earning a taxable income.

In the past few years we have made great strides with the establishment of vocational schools. Efforts have been made to raise the standards of education, as well as the standards of labour generally throughout the country. I think provision should also be made in this clause for students who are going to these vocational schools to cover the cost of the tools of their trade, which are really part and parcel of their tuition. Such has long been the case for farmers and people in other professions, who can write off as a capital cost allowance the tools which help them to derive their income. While we are making provision for students to acquire tools to attend vocational school, we should also make similar provision for mechanics, who after they graduate from vocational school go out and earn their living, to write off their tools as a capital cost allowance. In a world which is fast automating and becoming highly mechanized we must be prepared to make provision for these people training in our vocational schools prior to their entry into society. We must give them an equal footing with the other professions. In some cases, such as mechanics, X-ray technicians, and so on, costly tools are required.

The minister should give, however, some thought to the suggestion that parents be allowed to write off their children's tuition fees, and also that vocational school students and mechanics should likewise be able to write off the cost of their tools as an expense incurred in the earning of their income.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, I have one or two questions for the Minister of Finance concerning paragraph 2 which mentions a $550 yearly deduction for a brother or a sister who attends university Would the same deduction be allowed in the case of a brother-in-law or a sister-in-law, that is the brother or the sister of the taxpayer's spouse? Let us say that my wife's brother or sister attends university and stays at my place. Would I be entitled to a deduction, even though they are not my own brother and sister?

I ask that question because such cases are not uncommon and are bound to occur again. It would be most interesting to know whether the deduction would be allowed in such instances.

[*Text*]

Mr. Gordon: Mr. Chairman, I wonder whether I can just answer that question.

Under section 139(9)(b) and (c) a brother includes a brother-in-law, and a sister includes a sister-in-law.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, I have a second question about designated areas.

Could a plant now located and operating in a designated area, which would like to expand by adding a new building and would keep on producing along the same lines, but would invest $10 or $12 million in a new plant, benefit from the tax incentives offered by the act?

[*Text*]

Mr. Gordon: Well, I think this has more to do with some legislation which was taken up last year; but if they form a new subsidiary the answer would be yes.

Mr. Nasserden: There is one question I should like to ask with regard to subparagraph (c). Does this include private schools, or tuition fees paid to private schools?

Mr. Gordon: Yes, Mr. Chairman.

Mr. Grafftey: Mr. Chairman, in my remarks relating to adopted children I think I was a little vague. I fully realize you cannot adopt a brother or that you cannot adopt a sister; what I really meant, and I hope I will make myself clear this time, is this. If my parents adopted a child with whom I was brought up, this provision would apply in the case of such legally adopted child adopted by my blood parents, so to speak, whether the child were a boy or a girl. Am I correct in that assumption?

Mr. Gordon: This question would require a legal opinion from an accountant, Mr. Chairman, which would be quite improper. I just do not know the answer to that question.

Paragraph agreed to.

Paragraph 2 agreed to.

On paragraph 3.

Mr. Nowlan: Mr. Chairman, we are running a little rapidly here and there are one or two matters to be discussed with regard to incentives, although I do not think we need take too much time at the moment. Some of these sections are very much interrelated and others are not; but paragraph 3, as the minister said this afternoon, extends the time in which an application can be made, which I think is a very desirable step to take. I wonder whether the minister has any information as to the number of applications there are, not before him but before the Minister of Industry? Are we extending the time because there are so many applications that we need more time to process them, or are we extending the time in order to get more applications? Perhaps the minister can tell us how many applications have been considered up to the present time.

Mr. Gordon: My information is that there are about 40 up to the present time. I had a number of representations in the weeks before the budget on behalf of fairly large companies to the effect that they were considering proceeding with new mills or other operations in some of these areas, but because they were such large projects it was impossible to get them into operation within a period of 24 months. Therefore they felt they would not be able to proceed with them. Although I was not given a promise, I was certainly given to understand that if this committee or this house felt that this incentive could be extended to give these larger concerns a little more time, we would see some pretty interesting results.

Mr. Nowlan: Do I understand then that we have had 40 applications under the type of incentives which the minister brought in last year in this budget; and if so, how many of these 40 have been processed, and what is the situation at the moment?

Mr. Gordon: Perhaps I might make a somewhat more extensive answer. I am informed that 150 proposals for new businesses have been discussed with the area development agency. Of these over 40 companies have formally indicated they are going ahead with projects to be located in 14 of the 35 designated areas. Capital investments of over $90 million creating 5,000 new jobs are involved. I see that the Minister of Industry is here so if what I am about to say is incorrect I hope he will check me. Indications are that the Minister of Industry will shortly be asked to certify new businesses representing well over $100 million in further capital investment and providing for over 3,000 new manufacturing and processing jobs at the outset.

If my hon. friend is interested, these applications cover the following fields of industry: Food and beverages, rubber, textiles, clothing, wood products, pulp and paper, primary metals, metal fabrication, machinery, transportation equipment, electrical apparatus, non-metallic minerals and chemicals.

Mr. Nowlan: Could the minister give us the geographical areas involved in these applications? I do not want them by counties but how many are there, for instance, in the Atlantic provinces and how many in Ontario, Quebec and the west?

Mr. Gordon: The Minister of Industry informs me that an answer was given today

and will appear in *Hansard* for today. I do not have the answer before me.

Mr. Nowlan: I should like to ask one other question. The figures that the minister has given us are estimates of what might be spent if all of these projects are approved and the industries go ahead. As I recall it, the minister said that at the moment there are 40 which have actually been processed. In that 40 how much is involved?

Mr. Drury: Perhaps I might make clear that the terms "application" and "processed" really do not have too much validity. A company or firm which establishes a new enterprise in a designated area and comes into commercial operations within the required period is entitled, provided it meets certain conditions in respect of unused machinery to the value of 95 per cent and getting into operation within the required period, to the income tax incentive, and it does not depend on the approval of an application to the Department of Industry. So it is quite possible that there are a number of firms which have undertaken the establishment of new industries and have not yet informed the department. I can think of one by way of example, a very large textile operation which is being established in St. Jean, Quebec. The company had a sod turning ceremony and made an announcement of what they were going to do, and when, but prior to this taking place no information was furnished to the Department of Industry. No application was made because they do not have to apply. They merely have to enter into commercial operation, have the requisite amount of new machinery and get a certificate from the minister to this effect and they qualify.

Mr. Nowlan: Did that textile industry move from some area to a designated area, or was it a new industry created in that area?

Mr. Drury: This is brand new.

Mr. Starr: I think the minister has been most vague in this respect. At least I am unable to get from his remarks the information that I think we are all desirous of obtaining. We want to know how successful the incentive program has been in the establishment of new industries in designated areas. Surely the minister must know how many of these industries have now commenced operations in these areas and have applied for the incentive benefits. I think the minister could be more precise. Surely he can tell us if there are four or five industries, where they have settled and whether they have already applied and will be receiving the benefits of the incentives. This is the information we would like to have. I realize that many industries may be writing and asking for more particulars in the hope that they may be able to do this, but surely the minister can tell us that there are so many industries which have now established themselves in designated areas and have applied for the incentives, and will be receiving them when that time arrives.

Mr. Drury: May I point out to the hon. member that this program was only broached last July and became effective last November. Therefore it is perhaps a little unreasonable to assume that very many substantial industries would have established themselves in this short time. As the Minister of Finance has just indicated, some 40 companies have formally indicated that they intend to comply with the law and avail themselves of the benefits. These 40 industries in 14 of the 35 designated areas are planning capital investments in excess of $90 million and will involve in excess of 5,000 new jobs when in operation. They have not yet completed this and will not, indeed, for some time.

Mr. Starr: I realize the minister has repeated that possibly at least 40 industries have asked for information on this matter, but they have not established themselves.

Mr. Drury: I said that 40 have formally signified their intention of establishing. They have not been asking for information. They have formally signified their intention of establishing.

Mr. Starr: In an answer last week, I think, to a written question placed on the order paper by the hon. member for Peterborough the minister replied if I am correct, and I stand to be corrected, that there were 34 industries. Will the minister tell us now how many have been actually established? Has there been one, have there been four or has there been none?

Mr. Drury: I do not think that there is one that has come into commercial operations yet.

Mr. Hales: Will the minister not say that Magnetic Metals situated in Brantford is one?

Mr. Drury: I do not think Magnetic Metals is in commercial operation.

Mr. MacEwan: With relation to the order paper question of the hon. member for Wellington-Huron, which was answered by the Minister of Industry, I note that the minister sets out that in New Brunswick there are two and in Nova Scotia three of these 34 industries. As this is a high unemployment area I wonder whether the minister could now tell us the areas of Nova Scotia and the areas of New Brunswick where these five out of the 34 industries are going to be located?

Mr. Drury: I have not got that information here. I will be glad to get it and provide it tomorrow.

Mr. More: I should like to ask the minister if he has had any complaints from Saskatchewan that this legislation is discriminatory and is seriously handicapping the efforts of the province to diversify by bringing more industry into the province?

Mr. Gordon: No, Mr. Chairman, I do not think I have had complaints from Saskatchewan, or for that matter from any other province.

Mr. Hales: Would the minister enlarge on paragraph 4 a little more with regard to what is meant by fair market value?

The Chairman: Do I take it we have completed discussion of paragraph 3?

Mr. Nowlan: Mr. Chairman, I believe the Minister of Industry said he would be providing the answers to some questions tomorrow and I think there was an order paper question answered, but we have not got the answer before us. Subject to being able to review these answers I think it would be perfectly agreeable to the committee to proceed, provided we can ask for further information with respect to the details as to paragraph 3 and, in fact, paragraphs 4 and 5 as well.

The Chairman: I am wondering if the committee might not get into difficulty. I do not know what the intention of hon. members is and how many paragraphs will be passed tonight but perhaps we can—

Mr. Nowlan: Mr. Chairman, perhaps we could let paragraphs 3, 4 and 5 stand until we get further information. I do not think it will take us very long to dispose of them tomorrow, but we understand that a question on the order paper was answered today and we do not have the answer in front of us. The Minister of Industry has told us he will have definite information tomorrow afternoon. I am sure hon. members of the committee would like to know the areas in which these industries have been established. I think we might make more progress if we allowed these matters to stand.

I should like the minister's comment also with regard to the effect of this incentive. I do not want to get into an argument but it has been reported in the press I believe that the Minister of Transport, speaking about the Atlantic provinces development board, stated there had been an application made by the Nova Scotia government for grants from the Atlantic provinces development board for direct capital assistance to industry. This is not the place to argue the matter, Mr. Chairman,

but I am prepared to enter into an argument at any time with the Minister of Finance or the Minister of Industry that these direct grants are much more useful than the incentives which we have before us. I hope we can allow these matters to stand and discuss them tomorrow. If the committee is prepared to move on, speaking only for the official opposition, then we are prepared to move to other items and get the information on these items tomorrow.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Paragraphs 3, 4 and 5 stand.

On paragraph 6.

Mr. Grafftey: I should like to make some very general remarks on paragraph 6, Mr. Chairman. Did the Minister of Finance receive any representations relating to this paragraph in so far as it may affect or accelerate the so-called brain drain from Canada? Did bodies like the national research council make any representations relating to the paragraph and the adverse effect it might have in creating a situation whereby Canadian scientists would go to the United States? Could the minister assure us that we recognize that companies are allowed, as he explained this provision, to write off 150 per cent of the expenses relating to research done in Canada?

We are told this paragraph is going to permit a write-off for research done outside of Canada. Will this lessen the attractiveness for companies doing research in Canada? Does the minister feel this will in any way discourage Canadian companies from doing a fair amount of their research within this country?

Mr. Gordon: This will not affect the incentive of the 150 per cent write-off in any way at all. There were a number of companies who made the complaint, not about the high level of brain drain, but the low level of taxes they would have to pay. They thought perhaps when the 150 per cent write-off provision was drafted and introduced a year or two ago, it had been drafted in such a way that people who had normal expenses in connection with research they had been carrying on outside the country for many years, and which could not be translated into Canada, were being discriminated against. They made a good case. It is recommended that they should be able to carry on as before and claim their expenses, just as they are entitled to claim any other expenses if, as it says here, they are of a nature related to scientific research which is related to the taxpayer's business.

Mr. Nowlan: The minister is quite certain that expenditures made outside the country were deductible prior to the amendment of 1962?

Mr. Gordon: Yes, Mr. Chairman.

Mr. Nowlan: I have not checked the authorities, and I accept the statement of the minister with regard to that. My understanding was that was not the case, but possibly it was changed when we brought in the incentives, and deductions for expenditures made outside the country were disallowed. My understanding of the thing was that they were not allowed unless they were made in Canada.

As I have said before, there was a very good reason for the government giving those incentives. I know there were some who took a rather dim view of it, but the government took the responsibility for this action and I think the government was right, despite the criticism of some people who had to deal with the matter. We were faced with a situation, as the minister well knows, of a continuous drain of our experts and our professional people who were attracted to the south. It was felt at that time by giving this inducement, this incentive, industry would build up a body of technical people here in Canada, who would, otherwise, be attracted to the United States or elsewhere. How successful we were, I do not know, but certainly an effort was made in that direction.

I certainly understand the feelings of some people with regard to this matter. After I spoke about it during the budget debate, and criticized it, I received one or two letters from good friends of mine pointing out very forcibly the fact that I was being unfair in the attitude I took, and that certainly they should be allowed this deduction. I am not going to debate that too strenuously tonight. We are torn between two desires, to build up a scientific and technical organization within Canada, and at the same time be fair to corporations which have, for one reason or another, to go outside of this country to have their research work done. It is a matter of choice, and the minister has decided that the act should be amended to provide for these expenditures. He has taken us back to 1962, apparently, when this was first changed. I am not quarrelling with it, but I register a caveat because I am not quite sure if we have the technical organization here. Except in special circumstances, I think the research work should be done here. The very thing we were trying to avoid was having the research work done outside of Canada when it could be done here.

As I have said, it is a technical problem, and one which is involved. I am not going to spend more time discussing it. I am glad to see the incentive is still being kept. I think that really is worth while. I hope that Canadian corporations will continue to take advantage of that rather than have research work done somewhere else, in view of the fact these expenses are deductible.

Mr. Grafftey: The hon. member who has just spoken, Mr. Chairman, has only too well underlined the real need in Canada today to build up scientific research, to engage in scientific research within our own borders. I should like to make this remark especially, that all hon. members consider to what a great degree our manufacturing establishments in Canada are owned by parent firms across the border. If we do not insist on policing this provision very well, that this write-off can only be granted for scientific research done in Canada, I think we are going to get into serious trouble. I should like an assurance from the minister that this provision is going to be very closely policed to make sure that 100 per cent of these write-offs will apply to research activity which obviously cannot be carried out within Canada at the present time or the foreseeable future. Otherwise, I think we would be running into serious danger of encouraging an exodus of our scientific brains to the United States, something which I think all hon. members recognize is highly undesirable.

Mr. Horner (Acadia): On paragraph 6, I am not sure whether this means research by an institute for a group of individuals, or for an individual. Could it be research by an individual on behalf of himself?

Mr. Gordon: These are expenditures which, in the main, have been made by Canadian subsidiary companies to their parent companies or to research organizations in other countries. It is mainly corporations that are concerned. In the past they were just treated as expenditures and, as I understand it, allowed as expenditures. Nobody raised a question as to what kind of expenditures they were.

Mr. Nowlan: Would they be subject to withholding tax?

Mr. Gordon: I doubt it very much. There was not a withholding tax in those days. When the amendment came in and there was particular reference to scientific research, they started to get disallowed, and understandably complained as they were in the nature of expenditures which bring pretty valuable information and know-how to Canada.

Mr. Horner (Acadia): I am thinking of a medical clinic, or group of doctors working together. Could they send one doctor to university or an institute to do research, and write this off as an expense?

Mr. Gordon: If a clinic or group of doctors in partnership are paying one of their number, in some form or another, a salary or something like it, and they decide it is in their collective interest to send him off some place to do research, and he comes back and they get the benefit of it, I think that would be considered an expense in the earning of the income. But when you get down to this sort of question, they involve legal opinions of a very technical kind. I think this would be the case, but I hope the lawyers in the committee will not think I am moving in on their territory, because that is a very dangerous thing for an accountant to do.

Mr. Horner (Acadia): Could one doctor do it—undertake research to improve himself when it is particularly related to the taxpayer's business? Could he improve himself with a postgraduate course and charge that off as research expense?

Mr. Gordon: I would think that unlikely, because if he were away long enough he would not have income here to pay tax on.

Mr. Horner (Acadia): That is not a good enough excuse. We will leave it to the doctor's patients to decide whether or not he has a practice to come back to. It cannot be slid off that easily. The paragraph says:

—in computing income all expenditures of a current nature...

(b) to an approved association, university, college, research institute or other similar institution to be used for scientific research related to the taxpayer's business.

This is a serious question and I do not want it sloughed off lightly by saying he will not have any patients left. I am thinking particularly of a medical man.

An hon. Member: Or a lawyer.

Mr. Horner (Acadia): Well, a medical man is what I am thinking of right now. There are many fields of research in medicine, and doctors must keep abreast of them. The minister has referred to a group of doctors who form a clinic and work as a unit, but I am asking whether a doctor can take a month's leave of absence, or two months from his practice, to do research on a given subject, such as the heart, cancer or leukemia, and write that off as a research expense?

Mr. Gordon: We are getting into a distinction between a capital expenditure and a current expenditure. This is very difficult, and I am not going to be able to give a yes or no answer. If there are a group of doctors who send one man off, and they are continuing to receive income so that there is something to deduct it from, I should think they could deduct that expenditure from their collective income. However, if one doctor does it, and even if he went for a couple of months and he has income to deduct it from, I would think there is a good chance the department would rule this was a capital expenditure on his part. I cannot give a definitive answer on that. Perhaps we could call on the ex-minister of national revenue, who held that position for many years, and possibly his opinion would be as good as any.

Mr. Nowlan: We are dealing with a general resolution here. There will be a bill before us shortly, an income tax bill, in which the details will be spelled out, and I would suggest at that time that the minister be prepared to answer these questions so far as he can, bearing in mind the fact that the Department of National Revenue always takes a very dim view of anybody making a ruling in advance. My colleague from Queens-Lunenburg wants to know if he sends a trawler out scouting for new fishing grounds, and if that can be described as scientific research, could he deduct that expense? The hon. member for Acadia and others will have many more questions to ask when the bill is before us, and I suggest that the minister be prepared to deal with their questions then.

Mr. Gordon: I think the hon. member has demonstrated very well how he was such a success as minister of national revenue.

Mr. Grafftey: When the bill comes before us I hope there will be something in it to indicate that a company, let us say company X, controlled in the United States and doing business in Canada, and which is now carrying on research activities in Canada, will not transfer those activities to the United States just to take advantage of this provision, particularly when these research activities can be undertaken in Canada.

The minister was quite right in saying this law is the same as it was before. I shall certainly take his word for that, but I believe it is immaterial because today we are faced with the problem of keeping our scientific research institutions and our better scientific brains in Canada. I would like to see some indication that the advantage which is being given will not make it attractive to carry on research activities in the United States which can now be carried on in Canada.

However, where it is patently obvious that a research activity is of such a scale that it could only be carried on in the United States, then there should be such a beneficial clause. Without taking any more time of the committee I would like to point out what could be a very serious problem in closing this gap, and I hope it will not make it too attractive for companies to move research establishments over the border.

Mr. Hales: I think the government is asking us to pass a resolution here that we will regret the day we pass it. As I understand it, a United States subsidiary operating in Canada and doing research work here in Canada would now have a great temptation to cease that research and do it in the parent office in the United States.

Mr. Gordon: May I try to explain that, and also to answer the question put by the hon. member for Brome-Missisquoi. Under the law at present, any Canadian company has a great incentive to do its research work in Canada. If it does its research work in Canada it is allowed to charge off against its income for tax purposes 150 per cent of the expense of research—not just 100 per cent, but 150 per cent; that is, 150 per cent of the increase. If it continues to do what has been done over the years—pay someone in the United States or in Britain or in some other country for access to the kind of research it could not get anywhere else; I cannot imagine that it would be making the payments otherwise—then over the years it has been allowed to deduct those expenditures for tax purposes. This stopped in 1962 because of the wording of the amendment at that time and the way in which it was interpreted by the tax officers.

The purpose of this amendment is to put things back where they were prior to 1962, as far as the regular, historical, traditional expenditures for technical services and so on are concerned. We did not change in any way the special incentive which was introduced in 1962 to encourage people to do more research in Canada. The incentive is there. It is merely being suggested that the penalty should be removed.

Paragraph 6 agreed to.

On paragraph 7.

Mr. Martineau: Paragraph 7, I think in the terms in which it is couched, is an amazing disposition. I think probably as a lawyer I should not attack this provision at all because if ever I move out of this place and go back into practice I may be able to make a few dollars out of it.

An hon. Member: You won't need to, with your majority.

Mr. Martineau: That is a wise observation. If I was not afraid of being ruled out of order I would say I have excellent prospects of at least doubling my majority.

In any event this is the provision which is of interest to a number of us around here and I think the minister should give us some details of the manner in which it will operate. Of course, the gist of it is that if a taxpayer appeals an assessment he may in the following taxation year, I imagine, deduct any expenditures that he has incurred either in filing the opposition or in registering an appeal from an assessment. But what comes to my mind is this: Does the minister intend to put a ceiling on the amount of expenditure which may be incurred in filing an opposition or making an appeal.

Seeing the provision of this section, if a taxpayer is in a position where he must file an appeal or oppose an assessment, because of the very generous disposition of the minister he will engage the best legal lights in the country to take up his case. That is understandable. But as the minister, no doubt, knows, not all lawyers charge the same fees. The services of some are expensive and in other cases their services are more expensive; so it can be expected that the taxpayer might resort to the best legal talent and therefore the highest fees of the land. They might run into thousands of dollars. In such a case will the department foot the taxpayer's bill? If so, I think the lawyers are going to have a field day. Will these costs that are being allowed be on a client-solicitor basis or will they be costs to be taxed according to a tariff? I think this paragraph is lacking in the way it is drafted, because there is no mention at all as to the nature of the costs that may be deductible or whether a tariff will be established or not—if a bill of costs will be submitted to a taxation authority or if taxation by the board of appeal clerk, or some officer in the board of appeal, will be conclusive evidence of the real cost incurred by the taxpayer and, if so, whether the Minister of National Revenue will have any discretion at all in allowing or disallowing the claim for deductions because of legal costs to fight an assessment.

Another thought that comes to my mind is that this provision will certainly give rise in my opinion to a considerable interest in the number of formal oppositions and appeals, and this may throw an extra burden on the board of appeals. I think this is a good moment to think of the functions which that board fulfils and to renew a request which has been made by others on this side of the house on various occasions to make this board a fully fledged court, with permanency of tenure and so on. If you are going to give to that board the responsibility that it exercises at present and also the added burden with which it will be faced, the government might well consider the feasibility of converting the board into a court. That, I think, would also result perhaps in a better administration of this board and in better results from the important functions it is performing.

Another question I should like to ask in regard to this paragraph is whether or not the minister envisages the payment of the cost of filing an appeal from the formal opposition. Does it include legal costs which may have been incurred by the taxpayer for advice as to whether or not an appeal should be undertaken, and does it also include costs that may be incurred after the judgment, for instance, with regard to services rendered in connection with making arrangements for the service of a debt for tax? Will it also apply to expenses incurred by the taxpayer at higher levels, in the exchequer court and the supreme court? This is new law and as such it certainly opens a door to a large number of questions and possibilities and maybe even loopholes. This present paragraph is very incomplete and, as the hon. member for Digby-Annapolis-Kings said a few minutes ago in regard to paragraph 6, we will be anticipating the bill with a great deal of interest; and also, I imagine, the amendments to the Income Tax Act that are foreseen by paragraph 7 will be looked at very closely to ascertain just how far the minister intends to go with this new and rather revolutionary policy that he is introducing at this time.

Mr. Nowlan: Mr. Chairman, before the minister replies I would like to support what the hon. member for Pontiac-Temiscamingue has said. I cannot for the life of me understand this paragraph, because we are not only dealing with appeals, as the hon. member said, on which possibly there is a tariff. There is, certainly, when you get to the exchequer court. I am not sure whether there is a tariff before the income tax appeal board; I do not think there is, but there could be. But when it comes to filing an objection, without becoming overemphatic I can say that one files an objection almost every time from any assessment. Sometimes it is simply a matter of scribbling out a letter of some kind; sometimes it is a very involved objection. There is no tariff, there is no provision in the act, as I understand, to provide for this.

Far be it from me to prevent lawyers or accountants earning by the sweat of their brow, as they always have, their fees. They are underpaid all the time, of course, as both the minister and I would agree with respect to both professions; but I cannot for the life of me see how you are going to provide for reductions for the filing of objections. The assessment may be for $1 million and you may come from Wolfville, Vancouver or Toronto, as I am sure the minister did in the days when he was practicing, and go into the office of the deputy minister and discuss the matter. There is all this matter of solicitor and client, or you may have an objection to a farmer's income tax, or anybody else's income tax, as far as that is concerned, for $100, $500 or whatever it may be.

On what basis are you going to be able to charge for filing this objection? I will tell the minister what in my opinion this is going to do. Every lawyer in the country and every chartered accountant who happens to have a spare five minutes on his hands is going to sit down and draft a notice of objection, and the income tax appeal board—which is swamped now by appeals; at least, it was; there were appointments made and they may be more up to date, but I am quite sure they are not caught up—will have to deal with these objections. This is going to encourage the filing of appeals, and I am sure that if the minister by any chance happened to be attending a reception one night—I will not say a cocktail party, because that language is hardly acceptable in the House of Commons—or one of these gatherings, say an embassy function somewhere, at which members of the income tax appeal board happened to be gathered, if he could hear their language with respect to what this paragraph might do—this is only guesswork on my part, you will understand, Mr. Chairman—and their opinion as to what they think this paragraph might do in increasing the appeal load, he might have different views on this subject. I do not know whether this has been recommended by the barristers association or by a joint committee of chartered accountants and lawyers—if it is, it is remarkably well sponsored—but I would suggest to the minister that he should take a very, very careful look at this paragraph. Certainly when the act is brought down it will have to be dealt with very, very carefully.

Mr. Martineau: Mr. Chairman, just before the minister answers that question, perhaps he would also take note of the last part of this paragraph:

> —shall include in computing income any costs recovered in respect thereof.

It seems to me that by adding that provision they are robbing Peter to pay Paul, or vice versa, because on the one hand they say the costs are deductible and on the other hand they say that if costs are recovered they must be added to income. That leaves the taxpayer right in the middle, and nothing is given.

Another point I should like to raise is that with regard to any costs recovered, generally the costs are taxable, not in regard to the client or the party involved in the litigation, but they are taxable costs that go directly to the lawyer who has been employed in the

case, and that is an attorney of record. Therefore I cannot see how it can be that the taxpayer can recover costs on his own. Perhaps the minister would elucidate that particular point, together with the others that were raised.

Mr. Gordon: Mr. Chairman, in his first statement on this point the hon. member for Pontiac-Temiscamingue seemed to be fearful that as a result of this provision various clients, not of his, would transfer all their work to what he called—I do not remember the expression, but the first class lawyers.

Mr. Martineau: Legal lights.

Mr. Gordon: Legal lights, yes. I would not be so brave as to suggest that there was such a thing as a second class lawyer.

Mr. Nowlan: Sometimes our light is hidden under a bushel.

Mr. Gordon: I am quite confident that if the hon. member does not double his vote in the next election, he will find he has plenty of business of this type. I would remind him that section 12(2) of the act provides:

> In computing income, no deduction shall be made in respect of an outlay or expense otherwise deductible except to the extent that the outlay or expense was reasonable in the circumstances.

If any professional man should charge a fee that was unreasonable—and I would hope this would not happen—then it would remain with the Department of National Revenue to disallow it.

Mr. Nowlan: Who is going to act as taxing master?

Mr. Gordon: In practice, as I suspect hon. members know, the real check on anybody charging too much is the company or the client. I cannot believe that any reasonable client would allow his tax consultant to charge him twice as much as he should because he only has to pay half of it. But this was a submission made by the Canadian Chamber of Commerce, and I believe others, over a period of years. I do not feel very strongly about it; I am not in professional practice. I think it is something, though, that is reasonable; and we should remember that whoever receives these fees will have to pay tax on them, so as far as the crown is concerned it is about six of one and half a dozen of the other.

The Chairman: Shall we go to paragraph 8?

Mr. Nowlan: No, Mr. Chairman. We are not going through paragraph 8 tonight. We will go to paragraph 9 and hold 8. Some of us want to be here tomorrow for paragraph 8, but we are prepared to go to paragraph 9.

The Chairman: Shall we proceed to paragraph 9?

Some hon. Members: Ten o'clock.

Mr. Martineau: With regard to paragraph 7, Mr. Chairman, I think the minister could overnight look at some of the questions asked, because I do not think his answer was quite complete. Therefore I would call it ten o'clock on paragraph 7.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, before you go on may I ask what is the business for the rest of the week?

Mr. MacNaught: Mr. Speaker, I regret I am unable to announce the business for the rest of the week. Tomorrow we shall continue with the discussion on this resolution, and if it is finished we will go on with the Customs Tariff resolution and then the Estate Tax Act resolution.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion)

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

Mr. Deputy Speaker: In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore the question is that this house do now adjourn.

TRANSPORT—REGULATIONS RESPECTING USE OF WHARVES BY FISHERMEN

Mr. Deputy Speaker: The first question is from the hon. member for Skeena regarding regulations respecting government wharves.

Mr. Frank Howard (Skeena): Mr. Speaker, my concern with these particular regulations, which are promulgated under the Government Harbours and Piers Act, is the manner in which charges are levied and their effect on fishermen. I refer in particular to the different effect of those regulations on fishermen on the east coast of Canada as compared with fishermen on the west coast. What I hope to accomplish is to pose to the minister the thought that they apply inequitably; that charges will be levied against fishermen on the west coast for the use of wharves and floats which will not be levied against fishermen on the east coast.

The reason for this is both with respect to the wording of the regulations themselves

and also with respect to the past attitude of the Department of Public Works in providing facilities for fishermen. The regulations prior to their change in January of this year used to read as follows. Rather than quote the regulations I should like to quote an extract from a copy of a letter written by Mr. J. H. W. Cavey, who is chief of the harbours and property division, to a Mr. G. W. Nickerson of the city of Prince Rupert. In his letter there is this quotation:

"No side wharfage is payable in respect to (a) Canadian fishing vessels during the first 48 hours at any wharf, (b) Canadian fishing vessels at any time at wharves other than those specified by the minister".

That is the end of the quotation from the regulations.

Then Mr. Cavey indicates the effect of these regulations was as follows:

Under these regulations fishing vessels were exempted at practically all public wharves and floats.

Then the amended regulations came into effect. I do not intend to read in any detail from a press release which I have before me, except to say that one of the reasons for bringing the new changes into effect was aimed at improving the regulations and providing for more efficient wharf administration. The fact of the matter is that under the new regulations as well as under the old—particularly now because charges will be levied for the use of wharves—the Department of Public Works has not provided what we call floats on the east coast but they have on the west coast. As a consequence charges for side wharfage will not be applied to fishermen on the east coast, because they only use wharves on the east coast for the purpose of unloading fish or for loading supplies. Fishermen on the west coast do that as well, but in addition floats have been built at which the fishermen tie up.

Usually because of the insistence of the Department of Fisheries with regard to the curtailment of the fishing week, fishermen find themselves tied up at floats for periods of two, three or four days a week. Perhaps in this coming fishing season it will be for as long as five days a week that fishermen will have to tie up at floats, rather than be out fishing for salmon, owing to the stringent restrictions imposed by the Department of Fisheries. As a consequence fishermen on the west coast will have to pay under the regulations side wharfage rates for the use of the floats, whereas the fishermen on the east coast will not. This, of course, raises the hackles of any bona fide fisherman or even the fisherman who fishes one or two days a week, because it does smack of discrimination of a sort. Fishermen are going to have a difficult enough time on the west coast without having to pay charges for the use of floats.

In the second instance, while the press release stated that the regulations were to provide for more efficient wharf administration I submit they will not, because in the city of Prince Rupert there is a plan under way for the federal government to lease the float facilities to somebody else. In all likelihood this will be the city of Prince Rupert which will operate the floats. All that will happen will be that the city of Prince Rupert will be charging fishermen for the use of these floats and will be spending the money in two ways, first to pay the fee to the federal government under the lease agreement and, second, to employ up to eight watchmen who will in fact be toll collectors. Nothing will be accomplished in the way of providing any additional services to the fishermen or in providing efficient wharf administration, as the press release accompanying the regulations stated would be the case.

There are so many implications involved in this action and objections to it that time does not permit me to go into them in great detail, but I would point out one simple thing to the minister. At many of these floats boats tie up one beside the other, three or four or maybe five deep. Let us say for the sake of argument that some Friday night the watchman or toll collector comes down to these floats. If that watchman expects to extract the same side wharfage fee from the fishermen who ties up alongside the float as from the fisherman who has to tie up fourth or fifth boat out, he has got another think coming; and in the process of collecting the fees he may very well wind up in the water. The fishermen at home are disturbed and upset about this system.

Second, do the regulations mean that if a fisherman pays side wharfage fees for, say, a period of a month he is then permitted to tie up his boat to any float anywhere in British Columbia? I notice you are rising, Mr. Speaker, so my time must be nearing an end. I appreciate the opportunity of placing this very important matter before the house and the minister and I say sincerely to the minister: Will you please amend the regulations and put them back the way they were prior to the change in January of this year? The fishermen will be happy and they will have more money in their pockets.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think perhaps I should start out by saying that while I can understand the feeling of a fisherman or indeed of anyone else who did not have to pay a service charge before and is asked to pay

one, there is in fact no discrimination whatsoever in the regulations, and I think the hon. member himself indicated that. They apply absolutely equally on the east coast and on the west coast. The appearance of discrimination is because of the entirely different conditions, which I think the hon. member outlined pretty fairly.

I must say I do not have any great familiarity with these floats on the west coast. I have never examined them. However, it is quite true that either on the east coast or the west coast there are no side wharfage charges for commercial fishermen provided they are simply unloading or loading their vessels, and are not tied up for more than a certain length of time. On the east coast there are no floats provided at all, to the best of my knowledge, for fishermen to park their boats, if one may put it that way, or to tie them up, whereas on the west coast apparently the taxpayers have provided very considerable facilities which have been used partly by commercial fishermen.

Information has been given to me which is perhaps not as true of Prince Rupert as it may be of some other places on the west coast, and this may perhaps be the reason why it is that the main complaint so far has come from Prince Rupert.

I am told that many of these floats are used by sports fishermen or by the owners of pleasure craft. I do not believe there would be many hon. members who would argue that taxpayers should be expected to provide wharfage for that kind of vessel at public expense. If these wharves had been used exclusively by commercial fishermen, I am quite sure there would have been no thought whatever that it would not have been worth while.

I cannot go into much detail on this matter because I only have three minutes. I cannot go into much detail for another reason, namely that these regulations were made at a time when I was not the minister, nor was I here to discuss them. However, I shall look into them.

Mr. Deputy Speaker: I regret to interrupt the minister, but his time has expired.

EXTERNAL AFFAIRS—VIET NAM—POSSIBLE RESULT OF U.S. POLICY

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I asked the question of the Secretary of State for External Affairs with regard to the situation in Viet Nam because there is great concern over the possibility of very early and dangerous developments there which may involve us and others as well. There has been a proposal by the United States to increase its forces and to increase its direct participation in what Senator Morse has described as an illegal and unwise war. Some years ago we were told the United States had observers there. Then, they had advisers, but here we have a senator of the United States admitting that this is a war.

The second reason we are concerned at the invitation on the part of the United States to other countries to participate in these forces outside the United Nations, is that we take the strongest objection to this unilateral action on the part of the United States or any other countries associated with them. Then again, we were most dissatisfied with the brief, uninforming and unsatisfactory answer given to a question asked by our leader a day or so ago by the Prime Minister with regard to this problem. He said, in brief, that no request had been made. Surely, Mr. Speaker, a serious situation like this developing in that part of the world would warrant the Prime Minister of this country at least giving the house some statement as to the government's policy or attitude toward this unfortunate development. We believe that the government should make a clear and definite statement of policy with regard to its attitude toward the Viet Nam situation and recent developments.

This is a very serious question which has a great potential for danger to the rest of the world and should be referred to the United Nations. We most definitely oppose this unilateral action by the United States and other countries, as suggested. We believe that this situation should be handled as a result of a reference to the United Nations for a peace keeping force under the United Nations, under the rule of law that we are doing so much to try and develop in the world today. I hope the parliamentary secretary will deal with this question and leave us more satisfied with his answer than we were with the Prime Minister's answer to our leader a day or so ago.

Mr. Stanley Haidasz (Parliamentary Secretary to Secretary of State for External Affairs): I should like to apologize to the hon. member for Kootenay West because the Secretary of State for External Affairs is unavoidably absent from Ottawa tonight.

I am sure he would have welcomed the opportunity to answer the hon. member, had it been possible to do so. I am also sure that the hon. member for Kootenay West understands my position, and that for this reason I am unable to take a stand different from the one which my minister took earlier this afternoon.

Mr. Herridge: Could I ask the parliamentary secretary a question?

Mr. Deputy Speaker: Order. I do not think that the amended order under which we operate at this time allows for additional questions, supplementary questions, or debate of any kind.

SUGAR—REQUEST FOR RECONSIDERATION OF LONG TERM CONTRACTS

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I understand that this afternoon three sugar refineries in the city of Montreal announced they were increasing the price of sugar by 30 cents per 100 pounds. This is not a new situation. For over a year the members of this group have been objecting to the steady increase in the price of sugar by the sugar companies of Canada. We have never been given any reasonable, satisfactory answer as to why this price was being increased, in view of the very large stocks of sugar which these companies had on hand prior to the price increases.

During last year there were 90 changes in the price of sugar. The price virtually doubled during the calendar year. At the peak of the price increase housewives in Canada were paying 97 cents for a 5 lb. bag of sugar which could be purchased in the United States for 49 cents.

We have already given some indication of the profits made by the sugar companies. My reason for raising the matter this afternoon was to ask the Minister of Trade and Commerce what the government intends to do about it. We urged him in the last session of parliament to consider the feasibility of entering into long term agreements for the purchase of sugar from sugar exporting countries, as has been done in the United States and in Great Britain with great benefit to the consumers in those countries.

In a statement made in the house on February 19 last the Minister of Trade and Commerce said:

> —the conclusion we have come to is that this is not an opportune time to enter into any long term arrangements for the supply of sugar to Canada from overseas producers.

He gave as his reason the fact that there had been some decline in the price of sugar. He pointed out that the London daily cash price had ranged from £77 to £80½ per long ton, and for December delivery per long ton the price ranged from £51¾ to £59½.

Now, Mr. Speaker, I do not know at what price the exporting countries offered to sell their sugar. I am told it is about £49 per long ton. That would certainly involve a very considerable saving for the Canadian housewife.

In the short time I have it is not up to me to outline the policy for the minister but I would like to know, first of all, in view of this very substantial increase in the price of sugar, is the minister prepared to reexamine the feasibility of entering into long term agreements for the purchase of sugar so that the Canadian housewife can escape these drastic and periodic fluctuations in price?

Is the minister prepared to look into the possibility of removing the tariff behind which the sugar industry enjoys great protection in Canada, and the removal of which would compel it to look again at these price increases? Also, although it does not come under the minister, I think the government has a duty to tell us whether or not it is concerned about the fact that three companies, on the same day, all announce they are going to increase the price by 30 cents per 100 pounds. If this does not look like collusion and agreement, I do not know what does. These are the three main sugar companies.

I do not need to remind the house that on June 15, 1963, three sugar companies were found guilty in the courts after a prosecution initiated by the restrictive trade practices branch, and on March 8, 1963, I believe it was, they were fined $25,000 each for entering into agreements harmful to the consumers of Canada. I think we have a right to know whether the government is concerned about this matter and whether they are looking into it. I think the housewives of Canada would like to know from the minister whether he is prepared to do something and what he is prepared to do. They want to know if he will continue to do what he has done for the last 12 months namely, nothing, or whether he has at last formulated some policy to deal with this problem.

Hon. Mitchell Sharp (Minister of Trade and Commerce): The hon. member for Burnaby-Coquitlam asked me before the opening of the sitting if I had heard that the price of sugar had risen $3 and I must say it did cause me some concern. Of course, in a subsequent question in the house he referred to a 30 cent increase and at least, I thought, this was likely to cause less alarm.

The hon. member has reviewed the course of sugar prices. I must repeat what I said on an earlier occasion about the trend of prices. At its peak, on the London market, the price of sugar reached £105 a ton. When I held the discussions with the commonwealth exporters to which the hon. gentleman referred, the price had come down to £90. When I reported to the house on February 19 it had gone down to £80. It subsequently came down to £62 and it has fluctuated in the last few days; today's quotation was almost £70, the highest point for the last few days. The hon.

member may have seen in the paper today some reports of purchases by Cuba of sugar in the United Kingdom market—a somewhat unusual development.

I gave those figures to illustrate what I think was the wisdom of our policy in not rushing into negotiations at the time the hon. member urged us to do so. I may recall the words of the national president of the consumers association in Canada. Mrs. Plumptre, when she said her association was concerned that some such action might be taken at that time of high sugar prices.

Mr. Douglas: She was earning the grant the government gives her.

Mr. Sharp: I really think that is most unfair to the lady. I am sure she spoke with the full authority of all those fine women who form her association.

May I answer specifically the questions put to me. The hon. member asked: "Is the minister prepared to re-examine the feasibility—" and so on. Well, I am of the opinion that it would be unwise at the moment to enter into long term agreements with commonwealth suppliers or any other suppliers. If one looks at the futures prices to which the hon. gentleman referred, they still show a steep decline in price between now and December. I may say, parenthetically to the hon. member, that when we were holding the discussions with the commonwealth suppliers earlier it was clear that no contract we might enter into could become effective for some months, so I did not think then it would be wise to embark on such arrangements and I still feel it would be better to wait until the market has settled down before we commit ourselves to any long term contract which would oblige Canadian consumers to pay higher prices in the long run.

Mr. Deputy Speaker: I am sorry to interrupt the hon. minister, but his time has expired.

Under the provisions of provisional standing order 39A this house stands adjourned until tomorrow at 2.30 in the afternoon.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, April 28, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. KNOWLES—CONSIDERATION BY COMMITTEE OF STATEMENT BY MEMBER FOR LABELLE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. My question of privilege relates to the fact that this house has been insulted in one way or another, if not in two ways. The basis for my statement is to be found in the remarks, under a question of privilege, that were made yesterday by the hon. member for Labelle. There are two aspects of that statement on which I found my question of privilege today. I shall come to each of them in a moment.

First of all, Mr. Speaker, may I draw your attention to standing order 79, which reads as follows:

> The offer of any money or other advantage to any member of this house for the promoting of any matter whatsoever depending or to be transacted in parliament, is a high crime and misdemeanor, and tends to the subversion of the constitution.

I should like also to draw Your Honour's attention to citation 108, paragraph 5 of Beauchesne's fourth edition, which reads as follows:

> The offer of a bribe in order to influence a member in any of the proceedings of the house, or of a committee, has been treated as a breach of privilege, being an insult not only to the member himself, but to the house.

It is the language of that citation that prompted me, in my opening words, to say it is the house that has been insulted. I should like also to draw your attention to section 100 of the Criminal Code of Canada. I shall not read all the section because all of it is not relevant, but I shall read the relevant portion:

> Everyone who gives or offers corruptly to a person who holds a judicial office, or is a member of the parliament of Canada or of a legislature, any money, valuable consideration, office, place or employment in respect of anything done or omitted to be done or omitted by him in his official capacity for himself or another person, is guilty of an indictable offence and is liable to imprisonment for 14 years.

Yesterday, Mr. Speaker, the hon. member for Labelle, as reported at page 2583 of the English version of *Hansard* said this:

> Mr. Davey was rather suggesting at that moment that I join the ranks of the Liberal party. He said he would take care of the defeated Liberal candidate and as for unsatisfied Liberal organizers, I only would have to change them.
>
> The benefits: a party in power and a fat electoral fund for the next election.

Some hon. Members: Shame.

Mr. Knowles: The member continued:

> Mr. Davey suggested that I ponder those proposals.

I submit, Mr. Speaker, that the member for Labelle has alleged in this house that he was offered a bribe, that he was offered certain advantages if he would take a certain position in this House of Commons. If that fact is true it is contrary to standing order 79 which I read, to citation 108, paragraph 5 and to section 100 of the Criminal Code.

If this has happened I say it is an insult not just to the hon. member for Labelle but it is an insult to this House of Commons. It is a breach of the privileges of this House of Commons, and the matter certainly ought to be investigated by this house through its committee on privileges and elections.

However, Mr. Speaker, if what the hon. member for Labelle said about things that happened outside this chamber is not true, or even if what he said is true, there is something else in what the hon. member said yesterday which gives offence to this house. It is an insult to one of the members of the house, and therefore is an insult to the house itself. I refer to the very next paragraph in the hon. member's statement, right after the ones I read a moment ago. That next paragraph reads as follows, on the same page 2583 of the English version of yesterday's *Hansard*:

> A week later, a Liberal member of parliament belonging to that same group approached me to tell me that he was very sorry but the Prime Minister (Mr. Pearson) had asked his chief organizer to cease all pressure because he, the Prime Minister, was sure to lose the regular support of the Social Credit party if he ever stole members from that party.

Some hon. Members: Oh, oh.

Mr. Pigeon: The same old gang.

Mr. Knowles: Mr. Speaker, I do not feel that the catcalls that are coming are necessarily any help, but I suggest that those remarks of the hon. member for Labelle, if there is no foundation for them, are an insult to and a calumny upon one of the members of the house, and that member happens to

be the Prime Minister. If the Prime Minister, as a member of the House of Commons, has been insulted, again the house itself has been insulted. This was my reason for saying at the outset that the events which have transpired within the last few days have provided one if not two insults to the House of Commons.

Now, Mr. Speaker, in support of my contention that the remarks of the hon. member for Labelle about the Prime Minister are as serious as his allegations with respect to someone outside the house, may I direct your attention to two or three more citations.

First of all, if Your Honour would please look at citation 112 (1) of Beauchesne's fourth edition, you will find it says:

> Parliament is not concerned whether or not a libel uttered against it is liable to be tried by a court of law, either of civil or criminal jurisdiction May says: "Both houses will punish not only contempts arising out of facts which the ordinary courts will take cognizance, but those of which they cannot, such as contemptuous insults, gross calumny or foul epithets by word of mouth not within the category of actionable slander or threat of body injury."

I suggest, Mr. Speaker, that if the allegations that have been made are not true, the remarks made yesterday by the hon. member for Labelle about the Prime Minister come within the terms of that citation.

I also draw your attention to citation 113 in the same volume. This is the citation having to do with questions of privilege, which Your Honour has frequent occasion to read to the house. It is a bit of a text Your Honour uses, and I draw your attention to a sentence in about the middle:

> Libels upon members and aspersions upon them in relation to parliament and interference of any kind with their official duties, are breaches of the privileges of the members.

I am relying in particular on the first part of that sentence, which says "Libels upon members and aspersions upon them in relation to parliament" are breaches of the privileges of members. If the statement made by the hon. member for Labelle about the Prime Minister is not true it is a libel upon him in connection with his relationship to parliament, and therefore is a breach of the privileges of parliament.

In the same vein I should like to direct Your Honour's attention to citation 104(5), and in particular to the last sentence in it, at the bottom of page 95 and the top of page 96:

> The right of making complaint of a breach of privilege is open to any member of the house, and, even if an individual member alone is affected, is not confined to that member.

In other words, it seems to me that if we look at this as objectively as we can in the light of the concern there is about it, two members of this house have been insulted. The hon. member for Labelle has been insulted by the alleged offer of a bribe. The Prime Minister has been insulted by what the hon. member for Labelle said about him yesterday.

Some hon. Members: Oh, oh.

Mr. Knowles: I am referring to the statement the hon. member for Labelle made to the effect that the Prime Minister stopped the activities of Mr. Keith Davey, not because those activities were wrong but because they interfered with his efforts to retain the support of the Social Credit party. Such a remark, unless it can be substantiated, is an insult and a calumny against the Prime Minister. But my concern is that an insult to any member of the House of Commons is an insult to the house as a whole. That is why I feel this whole matter should be referred to the committee on privileges and elections for a thorough investigation. Such a committee can call witnesses, call those concerned, examine people under oath and get to the bottom of this whole incident.

In a moment or two I will make the appropriate motion which I believe follows from this question of privilege. I have it typed and ready. I have my own name on it as the mover, and my hon. friend from Burnaby-Coquitlam is prepared to second it. However, if the Prime Minister himself recognizes the seriousness of this matter, as I am sure he does, and would like to second my motion, my leader would be glad to make way for him.

As regards the whole question of what the house ought to do about this matter, may I direct Your Honour's attention to citation 104(2), which is extremely relevant to the whole question of what is to happen in the next few minutes:

> It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege does not extend to deciding the question of substance whether a breach of privilege has in fact been committed—a question which can only be decided by the house itself.

I submit that it would not be using the time of the house properly if we were to debate this type of incident here in this chamber, but we have a committee of this house which could consider the matter and reach a decision. So I hope hon. members will be unanimous in their support of the contention that this matter is so serious that we should not let it drop but should refer it to the appropriate committee. When the dignity of the House of Commons is insulted, as it has been by these developments, we cannot take the matter lightly. Therefore I move:

That the matters raised by the hon. member for Labelle in his question of privilege as reported in *Hansard* for Monday, April 27, 1964, be referred to the committee on privileges and elections for consideration and report.

Mr. Girouard: I should be delighted to second that motion, Mr. Speaker.

Some hon. Members: Hear, hear.

Right Hon. L. B. Pearson (Prime Minister): In relation to the motion which has just been moved, I have now had an opportunity to read the remarks of the hon. member for Labelle as reported in *Hansard*. In view of those remarks and the allegations made, and in view of the flat denial of those allegations —I repeat, the flat denial—

Some hon. Members: By whom?

Mr. Pearson: And in view of the reference to myself yesterday and the reference to myself in a morning paper to the effect that I had contact with the leader of the Social Credit party on this matter, which I also flatly deny—in view of all these things I think it is not only desirable but essential, now, that this question be sent to the committee—

Some hon. Members: Hear, hear.

Mr. Pearson: —so that the facts can be examined. As far as I am concerned I would be glad to move this motion, to second this motion or, certainly, to support it.

Mr. Speaker: It has been moved by Mr. Knowles, seconded by the right hon. Prime Minister—

Some hon. Members: No; by the hon. member for Labelle.

Mr. Speaker: I would like to ask the hon. member who seconded this motion to stand up and tell me that he did second it, so there is no doubt about it.

Mr. Girouard: Yes, Mr. Speaker; I said I would be glad to second it.

Mr. Speaker: Moved by Mr. Knowles, seconded by the hon. member for Labelle (Mr. Girouard):

That the matters raised by the hon. member for Labelle in his question of privilege as reported in *Hansard* for Monday, April 27, 1964, be referred to the committee on privileges and elections for consideration and report.

Motion agreed to.

COMMITTEES OF THE HOUSE

BANKING AND COMMERCE—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. L. T. Pennell (Brant-Haldimand) presented the first report of the standing committee on banking and commerce, and moved that the report be concurred in.

Motion agreed to.

INDUSTRIAL RELATIONS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. B. S. Mackasey (Verdun) presented the first report of the standing committee on industrial relations, and moved that the report be concurred in.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Gérard Loiselle (St. Ann) presented the first report of the standing committee on miscellaneous private bills, and moved that the report be concurred in.

Motion agreed to.

HIGHWAYS

DECISION NOT TO HOLD CONFERENCE WITH PROVINCIAL MINISTERS

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, immediately preceding the federal-provincial conference recently held in Quebec, and subsequent to it, a number of hon. members, and particularly the hon. member for Skeena (Mr. Howard), requested information as to the possibility of a conference with the provincial highways ministers to formulate a national highways policy.

In this regard I would advise the house that the federal government has given consideration to holding a conference with the provincial highways ministers and, as I reported to the house on July 17, 1963, I had made arrangements for certain information to be collected from the provinces on possible programs and expenditures, and in particular to gain a picture of provincial thinking at that stage.

While the federal government has been willing to accept some responsibility in this field, our responsibility has to be examined in relation to the broader division of fiscal responsibility between the federal government and the provinces. The desirability of a federal-provincial conference on highways has therefore to be assessed in relation to the general conference between the federal and provincial governments of last November and the recent one in Quebec.

In the light of the substantial increases in tax transfers to the provincial governments which will result from these conferences, the federal government does not feel it should consider adding at the present time, on a nation-wide basis, to the already

very substantial federal contribution to provincial highways. In the circumstances the holding of a federal-provincial conference in the near future would be likely to raise expectations that could not be realized.

The federal government is at present contributing to the cost of highway construction under the Trans-Canada Highway Act until December 31, 1967 and to the roads to resources program. In these programs there is still a substantial and expensive undertaking on the part of the federal government, estimated at this stage to be in the neighbourhood of $240 million.

ADMINISTRATION OF JUSTICE

REQUEST FOR REPORT ON ALLEGED ESPIONAGE ACTIVITIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Justice and ask him to give the house a report on certain rumoured espionage allegedly discovered recently in this country.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs, anticipating a question on this matter, was prepared to answer it but has been called out of the chamber. Perhaps I could say in reply to the question of my right hon. friend that Mr. V. V. Tarasov, correspondent for *Izvestia,* was taken into custody by the Royal Canadian Mounted Police last night.

Mr. Diefenbaker: Within limitations of security, of course, and I limit my question to that, is it anticipated that further arrests will be made?

Mr. Pearson: Not to my knowledge, Mr. Speaker, but we will be anxious to make a statement on the whole matter at the earliest possible date.

INQUIRY AS TO ACTION FOLLOWING PERJURY TRIAL IN TORONTO

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Justice. Has the minister read the evidence in the Farris trial as yet, and is he considering any action regarding Mr. Justice Landreville?

Mr. Speaker: I suggest the order paper once more.

Mr. Nielsen: I give notice now that I shall give written notice at five o'clock, for debate tonight.

[Mr. Deschatelets.]

ARTS, LETTERS AND SCIENCES

PROPOSED TRIP ABROAD BY ROYAL COMMISSION

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to address a question to the Prime Minister. Would he intervene in the proposed plan of the royal commission on bilingualism and biculturalism to launch a world junket during the summer months and stop this wasteful use of the taxpayers' money?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

EXTERNAL AFFAIRS

CYPRUS—INQUIRIES AS TO ACTIVITIES OF PEACE KEEPING FORCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Has he any report to give the house with respect to operations in Cyprus? It would appear that a full scale Greek Cypriot offensive is now under way in the Kyrenia pass headed by the minister of the interior. It would also appear that this has taken place after the Canadian contingent of the United Nations force was unable to get the Turkish Cypriots to vacate their position. Does this mean that this offensive is being undertaken by the Greek Cypriots on behalf of the United Nations, or is the United Nations being ignored in this regard?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend may be assured that no offensive is being taken by the United Nations. The United Nations force is not in Cyprus as an occupational force, nor is it there to further the political purposes or objectives of any one of the groups indigenous to the island.

The fighting to which my hon. friend directs our attention is a new outburst. Over the last week end, fighting was arrested partly as a result of the representations made by the commander of the force to the Cypriot authorities. With regard to the latest incident, I was in touch with the United Nations shortly before coming into the house but I have not got the final details. Until they are in my possession I prefer to make no comment.

In answer to the question my hon. friend asked yesterday, I might say that the Canadian armoured car which, according to reports, was fired upon last week end by Greek Cypriots, was clearly identified by United Nations insignia.

Mr. Douglas: A supplementary question, Mr. Speaker. Were Canadian forces operating

under the United Nations in the area of the Kyrenia pass, and have the United Nations forces merely been ignored by the Greek Cypriot forces being led by a member of the Cypriot government?

Mr. Martin (Essex East): Mr. Speaker, as I said yesterday there was a United Nations air patrol by helicopters in which Canadians participated. That was the extent of Canadian participation. The Canadian forces are not being ignored. In the complicated and difficult situation that prevails, they are doing everything they can to comply with the provisions of the security council resolution of March 4.

Mr. Douglas: A further supplementary question. Is the minister telling the house that the reports that the Canadian forces sought to persuade the Turkish Cypriots to withdraw from the Kyrenia pass are not correct and that they are actually not in the area as he suggested a few moments ago?

Mr. Martin (Essex East): The representations that were made were not made by the Canadians as such but by the force commander.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A further supplementary question, Mr. Speaker. Has authority been secured for the United Nations forces and in particular the Canadian contingent to disarm those who are engaged in internecine strife on that island, or is the position of the United Nations forces and particularly the Canadian contingent to be that of mere vulnerable spectators of strife within that island?

Mr. Martin (Essex East): Mr. Speaker, I regret the comment that has accompanied the interrogation of the right hon. gentleman. The situation in this regard is not dissimilar to the difficult circumstances that attended the Congo operation in which a Canadian contingent participated in the United Nations peace keeping force as the result of policies properly recommended to the house by the government of which my right hon. friend was the head. This is a situation of the greatest delicacy, and I suggest to my right hon. friend that he should appreciate the situation, as indeed he said he did and as indeed the hon. member for Burnaby-Coquitlam did, and quite properly, when this matter was discussed in this house on March 13. We knew when we went into this enterprise, in pursuance of our obligations under the United Nations charter, that we were undertaking a very difficult assignment. The incidents of the last few days have confirmed the difficulties of this assignment. But that is no reason for putting questions that add to the difficulties of the United Nations force.

Mr. Diefenbaker: Mr. Speaker, the latter part of the hon. gentleman's observations demands an observation on my part. I say to the minister that in the statement he made yesterday and on every other occasion he hides behind that smokescreen and fails to give parliament the facts. We want to know whether the statement he made yesterday that all is well over there, and similar statements during the last week or so, are in fact simply a series of statements which have no foundation, particularly in view of what happened yesterday.

Mr. Martin (Essex East): Mr. Speaker, I do not propose to engage in a debate with the right hon. gentleman on a subject of this importance. I can only repeat that I am surprised that a man with his experience should indulge in this kind of crossfire.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I did not say yesterday that all was well. What I did say yesterday was that the situation had subsided as a result in part of the representations of General Gyani. I did go on to say that as a result of the presence of the United Nations force, the situation in the island of Cyprus was much less serious than it would have been, as my hon. friend knows, but for the intervention of the United Nations peace keeping force.

Mr. Diefenbaker: Mr. Speaker, may I suggest to the minister, who does not usually lose his temper this way, that a little less boasting on his part and a little more action in this regard would be beneficial.

Mr. Martin (Essex East): Mr. Speaker, so that my hon. friend and I can both be brought back to our normal impulses may I say to him that I was not speaking angrily or short-temperedly. I was just speaking with force about the right hon. gentleman's indiscretions yesterday and today.

Mr. Douglas: On a point of order, Mr. Speaker, the Secretary of State for External Affairs has implied that questions are being raised simply to embarrass the government.

Mr. Martin (Essex East): May I rise at once to say that I was not referring in any way to my hon. friend.

An hon. Member: You did.

Mr. Douglas: Mr. Speaker, the fact is that the statement, to whomever it refers, stands on *Hansard*. I want to make it perfectly clear that a recognition of the difficult situation which the government faces does not absolve members of the house from their responsibility, which is to ask the government why,

with a United Nations force in Cyprus, a minister of the crown in Cyprus is leading an attack in complete violation of the peace keeping role the United Nations is seeking to carry out in Cyprus.

Mr. Martin (Essex East): Mr. Speaker, I am glad the hon. gentleman has made this intervention. I have no official information at the moment that would warrant the statement that a Greek Cypriot minister is leading a group of guerrillas or other armed individuals in connection with the situation which my hon. friend has described. When I have that information I shall not hesitate to give it to the house. I am not quarrelling with the interrogations by hon. gentlemen; that is their right and indeed their duty. What I was quarrelling with were questions the answers to which could only be embarrassing and make difficult an operation which, in its very nature is certainly of the greatest delicacy. My remarks were not intended in any way to apply to the hon. gentleman. Thus far he has been the epitome of correctness in the questions he has put.

Mr. Douglas: If the minister discovers that the press reports are accurate to the effect that a minister of the interior of the Cypriot government is leading forces in the Kyrenia pass, will representations be made to the Greek government to ask them to comply with the orders of the United Nations so as not to endanger the lives of Canadian members of the U.N. force?

Mr. Martin (Essex East): My hon. friend just referred to the Greek government but I believe he intended to refer to the Cypriot government. When the facts are known, and when they are clear, we will make representations through our representative in Cyprus. We will make our representations as we have been doing, to the United Nations secretary general and to his colleagues who in turn, I know, will make their representations. I might say that at this moment the secretary general and officials of the United Nations are engaged in very important acts in this very context.

Mr. Diefenbaker: May I ask a further supplementary question. Most of the information we are getting is through the press. Has there been a breakdown in liaison between the hon. gentleman and the officials?

Mr. Martin (Essex East): The only liaison that has broken down is between the right hon. gentleman and myself.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, may I ask a supplementary question. In view of the fact that the Secretary of State for External Affairs has told us this afternoon that the Canadian troops in the United Nations unit are not there to take the offensive or to disarm people; they are not there to take sides politically, and in spite of what the minister said last week there is obvious anarchy—

Some hon. Members: Question.

Mr. Nesbitt: The question will be put just as soon as I have less interruption from the government benches. Can the minister give us some idea of what the purpose of the Canadian troops is? They are not there to do this or that, so would he give us some idea, without going into detail, of the purpose for which the Canadian troops are there?

Mr. Martin (Essex East): I am sure the house will sympathize with me since my hon. friend has asked me for details, and then in the next breath says he hopes I will not go into details.

The United Nations force in Cyprus is in that island for the same reason the United Nations peace keeping force was in the Congo. We will all recall the almost daily tragic events of the Congo. I would ask my hon. friend, who has had some experience in external affairs, to recall the way in which the opposition of that day dealt with the situation then and the way some hon. gentlemen in this house in seeking to embarrass the administration, might have the effect of making difficult the operations of the United Nations peace keeping force. This house felt the force should be established and that pursuant to the charter of the United Nations, that Canada, as a member of that body, should unhesitatingly join in the formation of that force which is doing a very important and vital job on the island of Cyprus right now.

Mr. Nesbitt: Since the minister made some clearly personal allusions in his remarks I think I am entitled to make a reply. The Congo operation was totally different. We have 1,100 troops here. The only question I asked the minister was, since certain things are not to be done by the Canadian troops could he give us some idea, in general terms, what they are supposed to be doing? The minister then opened up again and made some offensive personal allusions—

Mr. Speaker: Order. The hon. member for Calgary North on a supplementary.

Hon. D. S. Harkness (Calgary North): I should like to ask the minister if he is aware that in the Congo the United Nations troops took military action against many dissident elements, and actually fought them and disarmed them. You had a totally different situation than exists in Cyprus. I wonder

why the minister is trying to give the impression to the house that the United Nations troops in Cyprus are carrying on exactly as those in the Congo did, when there is no similarity whatever.

Mr. Martin (Essex East): This is a serious question by the former minister of national defence which deserves a serious answer and I will attempt to give one. He must know that the terms of reference under which the United Nations force in the Congo operated, are the same as the terms of reference under which the peace keeping force in Cyprus is now operating. My hon. friend will recall that for a number of months during the time the peace keeping was becoming operational in the Congo, there was no act of disarming the nationals of the Congo by the United Nations force. That eventuated long after the establishment of the force. What the future will be in Cyprus in this regard, will depend upon an assessment to be made by the force commander and those to whom he is responsible. Undoubtedly, the situation is difficult; but since the United Nations force was sent there to preserve peace and order, it should not prematurely take action that is calculated to add to the disorder that already exists on that island.

Mr. Harkness: May I ask another supplementary question. May I ask the minister to read the history of the operation in the Congo. I think he will find the remark he has just made, that no action was taken to disarm the native troops in the Congo, will prove to be incorrect. I should like to ask him also, just by way of elaboration, what is being asked of the United Nations troops in the Congo in order to keep this conflict from spreading if they do not take action to disarm people?

Mr. Martin (Essex East): My hon. friend said the Congo, when I am sure he meant Cyprus. I ask my hon. friend to read the documentation that has already been tabled in the house dealing with the terms of reference, the aide mémoire that was circulated by the secretary general, and the status of forces agreement.

SOUTH AFRICA—EXPENDITURES FOR MILITARY PURPOSES BY WEST GERMANY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Secretary of State for External Affairs and to make a change in the locale of the operations. Has the minister received any protest from any African nations at the West German government's increasing share in rocket production in South Africa, and its rapidly increasing expenditures for military purposes in the South African nation?

Hon. Paul Martin (Secretary of State for External Affairs): I have not.

Mr. Speaker: Order. It seems to me that this is the type of question that could very well be placed on the order paper.

HOUSE OF COMMONS

DISTINGUISHED VISITOR IN GALLERY—CANADIAN MOTHER OF THE YEAR

On the orders of the day:

Mr. Charles J. M. Willoughby (Kamloops): I rise on a point of privilege, Mr. Speaker. I should like to draw your attention and the attention of all hon. members in the house to the fact that we are honoured today in having in the Speaker's gallery the Canadian mother of the year, Mrs. Gottfriedsen. She is a native of the Shuswap tribe, is the mother of 12 children and has adopted one. She is the foster mother of over 20 children as well. This is an accomplishment in itself, but she is equally well known for her great work among the Indian people, especially the young people, in connection with the development of their artistic and educational advancement.

Some hon. Members: Hear, hear.

SHIPPING

REPORTED U.S. ACTION TO CONTROL LAKE HURON WATER LEVELS

On the orders of the day:

Mr. Walter F. Foy (Lambton West): Mr. Speaker, may I direct a question to the Minister of Transport. This question has great urgency. I would like to know if the minister can say whether an agreement has been made with the United States to build a weir or dam on the St. Clair river at Sarnia, to control the water levels in lake Huron.

Mr. Speaker: Would the hon. member place this on the order paper? It is important, but I do not think it is that urgent.

Mr. Foy: This is indeed a question of great urgency—

Some hon. Members: Order paper.

Mr. Speaker: Order, please. I am sure the question is urgent and important and I know the minister would like to reply; nevertheless under the rules which the house has given me I think it should be placed on the order paper.

[*Later:*]

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I would like to address a question to the Prime Minister which I know is of vital importance to him. Is the Canadian government going to participate in the study of the control of the water levels in lake Huron now being planned by the United States army engineering survey corps?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, a question was asked on this just a moment ago and you ruled that it should be put on the order paper. I presume you will do the same with this one.

[*Later:*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I want to ask a question. I feel it will be out of order, but I must ask it in order to be given the opportunity to debate it. It is a question for the Minister of Transport. Is the government aware of experiments being conducted by the United States corps of engineers directed toward cutting down the outflow of water from lake Huron at Sarnia.

Mr. Speaker: I am glad to inform the hon. member that his opportunity is at hand.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I rise on a point of order. I suggest to Your Honour that if the hon. member for Lambton West (Mr. Foy), who first raised this question, should wish to debate it this evening he should have a prior claim over another hon. member who asked the question, which he said he knew was out of order, in order to take advantage of the rules.

Mr. Speaker: I do not think we need waste any time of the house in deciding this matter. If the house cares to leave it in my hands I will do the best I can.

Mr. Aiken: Nevertheless I wish to give notice, in order that I will be the first hon. member who has given notice.

Mr. Foy: I have already said I am giving notice.

Mr. Speaker: In order to settle the matter I shall check the blues.

HEALTH AND WELFARE

MONTREAL—REPORTED INTENTION TO PRODUCE LEUKEMIA SERUM

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, may I put a question to the Minister of National Health and Welfare?

Is the minister aware of the fact that Mr. Naessens, a French biochemist whose serum against leukemia has been rejected by the French medical bureau, has announced his intention of building a laboratory in the Montreal area for the production and distribution of his serum?

In the interest of public health in Canada, will the hon. lady order an investigation concerning the intentions and activities of that person?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for giving me notice of his question.

I checked that situation this morning. If a person comes to Canada with a drug or a particular serum and uses it to treat the sick, that person is practising medicine. The case would then come under the jurisdiction of the Quebec college of practicians and surgeons, which is responsible for the issuing of licences to practise medicine in that province.

On the other hand, anyone who undertakes to manufacture or offer for sale a drug or medicine automatically comes under the Food and Drugs Act, which, naturally, is my department's responsibility. My department is keeping an eye on those developments.

[*Text*]

NATIONAL DEFENCE

OTTAWA—ALLEGED EXCLUSIVE USE OF ENGLISH LANGUAGE AT HEADQUARTERS BUILDING

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Minister of National Defence?

In view of the numerous complaints originating from his department, particularly from the building on Elgin street in Ottawa, is the minister aware that only English is used there, that even French Canadian employees must hold a card made out in English only, and that this situation has been going on as long as one can remember?

Could the minister inquire from his officials if that is the case and can he assure us that the situation will change?

[*Text*]

Mr. Speaker: This is a question for the order paper.

THE CANADIAN ECONOMY

GASPE—REPORTED INTENTION TO CONDUCT ECONOMIC SURVEY

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I put a question to the Secretary of State?

In a talk delivered recently, the Secretary of State announced that the Economic Council of Canada would investigate, at a cost of $800,000, the economic possibilities of the Gaspé peninsula and lower St. Lawrence regions. Could the minister inform the house whether similar investigations are planned for other regions of Canada, for example the Lake St. John and Saguenay regions?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I think the hon. member has misinterpreted what I have said, i.e. that the federal government decided to participate, under ARDA, in such an investigation for the lower St. Lawrence region.

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, may I ask a supplementary question?

When the minister speaks about the lower St. Lawrence valley does he include the area of Charlevoix?

Mr. Lamontagne: The investigation now being carried out does not include that area of the province of Quebec.

[*Text*]

POST OFFICE DEPARTMENT

ABITIBI, QUE.—REQUEST FOR COMMEMORATIVE STAMP

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, may I direct a question to the Postmaster General?

Since 1964 will be the fiftieth anniversary of Abitibi, which will be commemorated by important celebrations, does the Postmaster General intend to issue a commemorative stamp to emphasize this jubilee more particularly?

[*Text*]

Mr. Speaker: This is a question for the order paper.

COST OF SENDING NEWSPAPERS TO TROOPS OVERSEAS

On the orders of the day:

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, some two weeks ago the hon. member for Hastings-Frontenac asked if I would look into the matter of mailing charges for newspapers being sent to troops serving overseas, and I assured him I would look into the matter. I have done so, and the Post Office Department will be issuing a press release within the next day or two so that people in all parts of Canada who have newspapers and periodicals which they would like to send to the troops will know the regulations and the ground rules. As a matter of courtesy to the hon. member I am mentioning it now.

Inquiries of the Ministry

NATIONAL MUSEUM

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Secretary of State. Could he inform the house when legislation will be introduced to implement the plans for Canada's national museum, referred to in Charlottetown over the week end?

Mr. Speaker: Is there any special urgency in that? I know the question is important, but if it is not really pressing I think it should be on the order paper.

Mr. Dinsdale: Mr. Speaker, the urgency arises from the fact that a resolution to this effect was on the order paper in January 1963, and the delay indicates the matter has now become urgent.

Mr. Speaker: Would the hon. member put it on the order paper?

BROADCASTING

COMMUNITY ANTENNA SYSTEMS—REFERENCE OF LEGISLATION TO COMMITTEE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Transport. Would the minister advise the house does he intend to refer cable television and the legislation proposed therefor to the special committee of the house on broadcasting?

Hon. J. W. Pickersgill (Minister of Transport): Well, Mr. Speaker, the government has not decided yet whether there will be any legislation.

Mr. Jack A. Irvine (London): I would like to direct a supplementary question to the Secretary of State. When will the minister be prepared to inform the house as to the composition and personnel of the special committee on broadcasting?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I hope to be able to make a statement at the beginning of May.

BUSINESS OF THE HOUSE

REQUEST FOR EARLY ORGANIZATION MEETINGS OF COMMITTEES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to direct a question to the chief government whip and ask him if he is in a position to make any announcement about meetings of committees which have not yet

been set up, particularly the joint House of Commons-Senate committee on consumer credit.

Mr. J. E. Walker (York Centre): The consumer credit committee is being organized tomorrow afternoon at two o'clock. There are five other standing committees being organized on Thursday starting at 9.30 in the morning. That makes 14 or 15 in all.

PENSIONS

CANADA PLAN—POSSIBLE REVISION FOLLOWING REPORT OF BANKING COMMISSION

On the orders of the day:

Mr. Jack A. Irvine (London): I have a question for the Prime Minister. Is the Canada pension plan to be revised once again in view of the criticism contained in the report of the royal commission on banking and finance?

Mr. Speaker: Would the hon. member put this on the order paper.

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Prime Minister. Could he tell the house whether the forthcoming pension plan will be the only one throughout Canada, or whether some provinces will have distinct and entirely independent plans?

[*Text*]

Mr. Speaker: It seems that this question is very wide and would demand a very careful answer. I do not think it should be asked at this time.

NORTHERN AFFAIRS

ALASKA HIGHWAY—INQUIRY AS TO NEGOTIATIONS WITH UNITED STATES

On the orders of the day:

Mr. Erik Nielsen (Yukon): Last week I asked a question of the Prime Minister with respect to a request from the Alberta legislature concerning legislation unanimously passed by that legislature. The Prime Minister indicated he would look into the matter and reply later. I wonder if he is now in a position to do so.

Right Hon. L. B. Pearson (Prime Minister): I do not have that answer with me; I hope I will have it tomorrow.

TRADE

REQUEST FOR STATEMENT ON GENEVA CONFERENCE

On the orders of the day:

[Mr. Orlikow.]

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I wish to direct to the Minister of Trade and Commerce a question of which I gave him notice.

Can the minister give the house a progress report on the international trade conference at Geneva and tell us where Canada stands.

[*Text*]

Mr. Speaker: I hope the minister will not make it just at the moment. May I suggest that the hon. member put this question on the order paper.

FINANCE

SUGGESTED REFORM OF POLICY TO COMBAT POVERTY

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Following the statement made by President Johnson, who intends to combat extreme poverty in his country, may we hope that a financial reform policy will be introduced in this house in order to do away with poverty and to fight enemies of economic stability in this country?

[*Text*]

Mr. Speaker: May I suggest that this question is far too wide, and that it should be placed on the order paper.

REFERENCE TO COMMITTEE OF REPORT OF ROYAL COMMISSION

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Prime Minister. Can he tell us whether the government intends to refer to a special committee or to the committee on banking and commerce the report on banking and finance which was tabled last Friday?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): I should like to take this question as notice, Mr. Speaker, and consider it.

WATER RESOURCES

FRASER RIVER—AVAILABILITY OF BOARD REPORT AND APPENDIX

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I want to have some information from the minister of northern affairs. Do I understand that yesterday he tabled appendices to the

report of the Fraser river development board; and will copies of that report and the appendices be available to members of this house?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): We are obtaining copies of the original report and of the appendix volume as well for all those members of parliament—I think probably from the province of British Columbia in the first place—who are interested in the project.

Mr. Douglas: May I ask the minister, in view of the fact that the information given to us by the sessional papers office is that members have to write to British Columbia for this report or appendix volume, whether he would make the appropriate correction so that this matter can be taken care of?

Mr. Laing: It has been so made. The volumes are here.

HARBOURS

RIVIÈRE DU LOUP, QUE.—CONSTRUCTION OF DEEP WATER PORT

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, I should like to address a question to the Minister of Public Works. Is it true, as reported in a statement made by the Minister without Portfolio, that he intends to carry out the project of building an ocean port at Rivière du Loup, at a cost of $7 million. If so, is the minister aware that this port could hardly be used in winter, according to experienced sailors, on account of ice which accumulates almost invariably on the south side?

Could the minister consider at the same time Baie St. Paul or Pointe au Pic as more suitable sites for the establishment of such a port?

[*Text*]

Mr. Speaker: This is a question for the order paper.

[*Translation*]

Mr. Bélanger: Mr. Speaker, I wish to give notice that I shall raise this matter this evening, under the adjournment motion.

[*Text*]

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister in order to clear up a point.

As the Minister of Justice was chosen by the Prime Minister as lieutenant of the Quebec's Liberals, could the Prime Minister tell the house what will from now on be the exact duties of the hon. member for Outremont-St. Jean (Mr. Lamontagne) in that field?

[*Text*]

Mr. Speaker: I have grave doubts whether the question is in order, but, giving the hon. member the benefit of the doubt, may I suggest the order paper.

Mr. Pigeon: After ten o'clock.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureux in the chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

1. That for the 1964 and subsequent taxation years the deduction from income granted in respect of certain tuition fees be extended to include tuition fees paid by a taxpayer who is a student, whether or not he is a full time student, to an educational institution in Canada

(a) that is a university, college or other educational institution providing courses at a post-secondary school level,

(b) that is a school operated by or on behalf of Her Majesty in right of Canada or a province, a municipality in Canada, or a municipal or public body performing a function of government in Canada,

(c) that is a high school or secondary school providing courses leading to a secondary school certificate or diploma that is a requirement for entrance to a college or university, or

(d) that is certified by the Minister of Labour to be an educational institution by which courses are conducted that provide or improve the qualifications of a person for employment or for the carrying on of a business or profession,

if the tuition fees paid by the taxpayer for the year exceed $25.

2. That for the 1964 and subsequent taxation years a dependant in respect of whom a taxpayer may deduct an amount not exceeding $550 in computing his taxable income shall include a taxpayer's brother or sister who was 21 years of age or over and in full time attendance at a school or university.

3. That the period commencing on December 5, 1963 within which a new manufacturing or processing business must have commenced manufacturing or processing in reasonable commercial quantities in a designated area in order to obtain a certificate for the purposes of section 71A of the act be extended to March 31, 1967.

4. That for the 1964 and subsequent taxation years in determining whether 95 per cent of the assets used in a business were new and situated in a designated area, for purposes of establishing under section 71A of the act that a person was carrying on the business in a designated area, the value of the assets shall be their fair market value notwithstanding that such value may be different from their capital cost.

5. That where at a time when an area was a designated area a business has been certified to be a new manufacturing or processing business, or an application has been made in writing to the Minister of Industry by a taxpayer in respect of a business that upon the fulfilment of specified conditions would be certified to be a new manufacturing or

processing business in the designated area, that area, notwithstanding that it may no longer be a designated area, shall for the purpose of the application of section 71A of the act to that particular business continue to be a designated area.

6. That for the 1962 and subsequent taxation years a taxpayer may deduct in computing income all expenditures of a current nature for scientific research carried on outside Canada that are expenditures made in the year

(a) for scientific research related to the taxpayer's business directly undertaken by or on behalf of the taxpayer, or

(b) to an approved association, university, college, research institute or other similar institution to be used for scientific research related to the taxpayer's business.

7. That for the 1964 and subsequent taxation years a taxpayer may deduct in computing income amounts expended by him in relation to an objection to an assessment or an appeal from an assessment and shall include in computing income any costs recovered in respect thereof.

8. That for the 1964 and subsequent taxation years a taxpayer may deduct in computing income an amount paid in the year or in a previous year since 1962 as a contribution to or under a registered pension fund or plan in respect of services rendered by him in past years while he was a contributor even if he also deducts an amount as a contribution in respect of services rendered by him in past years while he was not a contributor, but the maximum amount deductible in a year in respect of past services while he was a contributor shall not exceed $1,500 minus the aggregate of the amounts deducted in the year in respect of services rendered by him in the year and in respect of services rendered by him previous to the year while he was not a contributor.

9. That for the 1964 and subsequent taxation years the period of 60 days from the end of a year within which an employer may pay an amount to or under a registered pension fund or plan in respect of services rendered by his employees be increased to 120 days.

10. That for the 1964 and subsequent taxation years it be made clear that any amount received by an employer upon the winding up or reorganization of a pension fund or plan shall be included in his income.

11. That for the 1964 and subsequent taxation years subsection (3) of section 12 of the act, which provides rules concerning an outlay or expense payable by a taxpayer to a person with whom he was not dealing at arm's length, be amended so that a taxpayer who at the end of his taxation year has a liability that

(a) arose in respect of a non-arm's length transaction,

(b) was deductible in computing his income, and

(c) has been outstanding for two years following the end of the taxation year in which it accrued

must include in income for the third year after it accrued an amount equal to the liability, unless the debtor and creditor sign and file an agreement in which they elect to have their taxes computed as though the debt had been paid and replaced by a loan on the first day of that third year.

12. That the 20 per cent rate of tax payable by a non-resident person on dividends paid or credited to him after 1964 by a corporation resident in Canada that does not have a degree of Canadian ownership be reduced to 15 per cent, and that in consequence thereof:

(a) Part IID of the act imposing a tax equal to 5 per cent of certain dividends paid by a corporation that does not have a degree of Canadian ownership be repealed;

(b) the 20 per cent rate of tax imposed by Part IIIA of the act on income earned after 1964 by a non-resident corporation carrying on business in Canada be reduced to 15 per cent; and

(c) the 20 per cent rate of tax imposed on the taxable income earned after 1964 by a non-resident-owned investment corporation be reduced to 15 per cent.

13. That for the 1964 and subsequent taxation years, where a taxpayer has disposed of his interest in a partnership, such part of the consideration as is reasonable in the circumstances shall be deemed to be proceeds of disposition of depreciable property of the taxpayer used in the partnership business.

14. That for the 1964 taxation year the amount deductible in computing taxable income in respect of a dependant child who was over 15 and under 18 years of age at the end of the year shall not exceed $470 if an allowance was paid under the Family Allowances Act in respect of the child for any month after the month in which he attained the age of 16 years.

15. That for the 1965 and subsequent taxation years, a child shall be regarded as a child qualified for family allowance for any year at the end of which he was over 15 and under 18 years of age, if an allowance under the Family Allowances Act was paid in the year in respect of that child after the month in which he attained the age of 16 years.

16. That with regard to the definition of degree of Canadian ownership in section 139A of the said Act, the said measure provide as follows:

"(1) Subparagraph (ii) of paragraph (a) of subsection (1) of section 139A of the said Act is repealed and the following substituted therefor:

"(ii) either

(A) not less than 25 per cent of the issued and oustanding shares of the corporation having full voting rights under all circumstances were owned by one or more individuals resident in Canada, one or more corporations controlled in Canada or a combination thereof, and equity shares representing in the aggregate not less than 25 per cent of that part of the paid up capital of the corporation that was represented by all the issued and oustanding equity shares of the corporation were owned by one or more individuals resident in Canada, one or more corporations controlled in Canada, or a combination thereof, or

(B) a class or classes of shares of the corporation having full voting rights under all circumstances were listed on a prescribed stock exchange in Canada, and it is established in prescribed manner that no one non-resident person and no one corporation that did not comply with clause (A) of this subparagraph owned more than 75 per cent of the issued and outstanding shares of the corporation having full voting rights under all circumstances, alone or in combination with any other person related to such non-resident person or such corporation at any time within the period within the meaning of subsection (5a) or (5b) of section 139, and a class or classes of equity shares of the corporation representing in the aggregate not less than 50 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation were listed on a prescribed stock exchange in Canada, and it is established in prescribed manner that no one non-resident person and no one corporation that did not comply with clause (A) of this subparagraph owned equity shares representing in the aggregate more than 75 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation, alone or in combination with any other person related to such non-resident person or such corporation at any time

within the period within the meaning of subsection (5a) or (5b) of section 139, and"

(2) Subsection (1) of section 139A of the said act is further amended by striking out the word "or" at the end of paragraph (a) thereof, by repealing paragraph (b) thereof and by substituting therefor the following paragraphs:

"(b) the corporation complied with the conditions specified in subparagraphs (i) and (iii) of paragraph (a) and was a subsidiary wholly-owned corporation subsidiary to a corporation that throughout the sixty-day period complied with the conditions specified in paragraph (a) or (c); or

(c) the corporation complied with the conditions specified in subparagraphs (i) and (iii) of paragraph (a) and was a subsidiary controlled corporation

(i) having issued and outstanding equity shares none of which were owned by a person other than

(A) the corporation to which it was subsidiary,

(B) a non-resident person not related to the corporation to which it was subsidiary,

(C) an individual resident in Canada, or

(D) a corporation controlled in Canada, and

(ii) subsidiary to a corporation that throughout the sixty-day period complied with the conditions specified in paragraph (a) or (b)."

(3) Paragraphs (a) and (b) of subsection (2) of section 139A of the said act are repealed and the following substituted therefor:

"(a) a corporation that has share capital is not controlled in Canada at a particular time unless at that time the corporation is resident in Canada, and more than 50 per cent of its issued and outstanding shares having full voting rights under all circumstances, and shares representing in the aggregate more than 50 per cent of its paid up capital are owned by

(i) individuals resident in Canada,

(ii) corporations resident in Canada with respect to each of which

(A) more than 50 per cent of the issued shares having full voting rights under all circumstances, and

(B) shares representing in the aggregate more than 50 per cent of the paid up capital

are owned by individuals resident in Canada, or

(iii) any combination of individuals or corporations described in subparagraph (i) or (ii);

(b) where

(i) a non-resident person,

(ii) a corporation that does not have a degree of Canadian ownership, or

(iii) a corporation that is related to a non-resident person within the meaning of subsection (5a) or (5b) of section 139

has a right under a contract in equity or otherwise either immediately or in the future and either absolutely or contingently, to, or to acquire, equity shares in a corporation, those shares shall

(iv) unless the right is contingent upon an event that it is not reasonable to expect to occur within a reasonable time, or

(v) unless the right is such that a reasonable man concerned only with the value of the shares would not exercise it,

be deemed

(vi) to be owned by the person who has the right,

(vii) to be owned by a non-resident person, where the person who has the right is a corporation described in subparagraph (ii) or (iii) and

(viii) where the shares are unissued,

(A) to be issued and outstanding, and

(B) to have a paid up capital value, with respect to each share, equal to

1. the par value, where the shares have a par value,

2. the amount that would be paid with respect to each share to exercise the right under the terms of the contract, where the shares have no par value and amount is specified in the contract, or

3. the market value at the end of the relevant sixty day period of a share of the class of shares of that corporation that is most closely similar to that share, where the shares have no par value and no amount is specified in the contract,

and any other person who actually owns the shares in respect of which that right exists shall be deemed not to own those shares."

(4) Subsection (2) of section 139A of the said act is further amended by striking out the word "and" at the end of paragraph (c) thereof and by adding thereto the following paragraphs:

"(e) "equity share" means

(i) a share, the owner of which has, as owner thereof, a right

(A) to a dividend, and

(B) to a part of the surplus of the corporation after repayment of capital, upon the redemption of the share, a reduction of the capital of the corporation or the winding up of the corporation, as great as the right of the owner of any other share of the corporation, when the magnitude of the right in each case is expressed as a rate based on the paid up capital value of the share to which the right relates, and

(ii) a share, the owner of which has, as owner thereof, a right

(A) to a dividend, after a dividend at a rate not in excess of 8 per cent per annum has been paid to the owners of shares of a class other than the class to which that share belongs, and

(B) to a part of the surplus of the corporation after repayment of capital, upon the redemption of the share, a reduction of the capital of the corporation or the winding up of the corporation, after a payment of a part of the surplus at a rate not in excess of 10 per cent has been made to the owners of shares of a class other than the class to which that share belongs, as great as the right of the owner of any other share of the corporation, when the magnitude of the right in each case is expressed as a rate based, on the paid up capital value of the share to which the right relates; and

(f) "paid up capital value" with reference to a share, means

(i) in the case of an unissued share that is deemed by paragraph (b) to be issued and outstanding, the amount determined under clause (B) of subparagraph (viii) of that paragraph, and

(ii) in any other case, an amount equal to the paid up capital of the corporation that is represented by the shares of the class to which that share belongs divided by the number of shares of that class that are in fact issued and outstanding."

(5) In the case of a taxation year commencing before January 1, 1965, of a corporation that would have had a degree of Canadian ownership in the 1964 taxation year if section 139A of the said act had not been amended by this act, that portion of subsection (1) of section 139A of the said act, as amended by this act, that precedes paragraph (a) thereof shall, if the corporation elects in prescribed manner before January 1, 1965, be read as follows:

"139A. (1) For the purposes of this act, a corporation has a degree of Canadian ownership in a taxation year if throughout any sixty day period commencing after March 16, 1964 and ending before January 1, 1965"

(6) This section is applicable to the 1964 and subsequent taxation years."

and for the purpose of determining whether a corporation had a degree of Canadian ownership for the purposes of paragraph (b) of subsection (1a) of section 106 the said act, section 139A of the said act shall

(a) in relation to any dividend declared on or before March 16, 1964 be read as if it had not been amended by the said measure, and

(b) in relation to any dividend declared after March 16, 1964 be read as amended by the said measure.

The Chairman: When the committee rose last night we were considering paragraph 7 of the resolution.

Mr. Martineau: Before we go on, I wonder whether the minister has any answers to some of the questions which were put to him on this paragraph last night.

Mr. Gordon: I think what I have said on this paragraph is reasonably clear. At the moment certain fees charged by lawyers, accountants and others in connection with appeals are not allowed as a deductible expense for tax purposes. This provision proposes that they should be allowed as deductible expenses in the same way that similar expenditures by corporations and others are allowed.

The amounts paid will, of course, be included in the income of recipients and tax will be collected on that, so that except in the very few unusual cases, perhaps, where a taxpayer's income is less than the top rates of income of the practitioner, the tax which will be collected from the practitioner will be higher than the amount of the allowance.

I think last night I answered most of the questions raised by the hon. member. I will be glad to go into this matter again, if he thinks that is necessary.

Mr. Nowlan: As far as I am concerned, Mr. Chairman, having raised this objection I would be perfectly prepared to now wait and see the wording of the section in the act; then we could deal with it more fully. We do not know at the moment how the section itself is worded. If it is agreeable to the other members of the committee, I would be perfectly agreeable to moving on. Last night we held paragraphs 3, 4 and 5 in order to obtain further information. Perhaps it would be more orderly if we returned to paragraphs 3, 4 and 5 and proceeded from there.

The Chairman: Is it the wish of the committee that we return to paragraphs 3, 4 and 5 to obtain more information from the minister, and return to paragraph 7 later?

Mr. Hales: Before we leave paragraph 7, Mr. Chairman, could I ask the minister a question in order to save time when this legislation is drafted. Paragraph 7 refers to "any costs". This is not spelled out. Does this refer to lawyers' costs, travelling expenses, and so on; or what does "any costs" mean? Perhaps this will be cleared up in the legislation. There is also nothing in this paragraph which lays down a ceiling; the costs can be as high as they like and there is no ceiling on them. I hope these things will be taken care of in the legislation that is coming forth.

Mr. Gordon: Mr. Chairman, the costs referred to here are the legal costs that might be awarded by the court to the taxpayer, and in that event he would have to include those reimbursements as part of his income.

The Chairman: Does this conclude the discussion on paragraph 7?

Mr. Olson: Before we pass from paragraph 7, Mr. Chairman, I should like to raise this matter. The minister has just raised a very interesting point. Is he now suggesting that the only way a taxpayer will be able to recover any of these costs is if they are awarded by a court?

Mr. Gordon: If a taxpayer launches an appeal and loses the appeal, it is pretty difficult to think of any other way in which he can recover his costs. By that I mean the amounts he pays out by way of fees. He cannot get them back if he has paid them out and lost his case. If the court finds in his favour and awards him costs at the expense of the crown, then to that extent he gets part of them back.

Mr. Nowlan: I said I was satisfied, Mr. Chairman, but I should just like to clarify that one point. I have no particular quarrel with the part of the paragraph dealing with appeals. When we get the section in front of us we can perhaps deal with this matter with greater understanding. I have some real doubts as to the filing of an objection, because this is not an appeal before the court; it is something that is perhaps dealt with in the minister's office, the deputy minister's office, or in the office of the director in Halifax or Vancouver. It is to that point I think the minister should direct his attention very carefully when he sees the section brought in in the bill.

Mr. Olson: Mr. Chairman, the last two or three remarks of the minister have thrown an altogether different light on the interpretation of what is in paragraph 7. As a matter of fact I think his latest interpretation of how this paragraph will be applied is far superior to the wide range or scope of the interpretation that may have been put on it in the case, for example, of a taxpayer making an appeal against an assessment. I believe that is included in this paragraph, as well as an objection to an assessment. If the minister is now

saying that the application of this paragraph will be confined to costs that are awarded by the court in a case where an appeal is granted, that is considerably different than the interpretation we took from his remarks yesterday.

Mr. Thomas: Mr. Chairman, can the minister assure us that these costs will only be costs that might be awarded by a court?

Mr. Gordon: No, Mr. Chairman; the proposal is that the amount of the fees paid, which may be in excess of the amount of costs settled by the court, should be allowed as a deductible expense. But I think last night I referred to the particular section of the act, section 12 (2), which permits the department to disallow anything that might be unreasonable.

Mr. Olson: I have one other point. Will the income tax appeal board be granted the authority to assess costs in cases of this nature?

Mr. Gordon: No, Mr. Chairman.

[*Translation*]

Mr. Caouette: Mr. Chairman, according to clause 7, I appreciate that the taxpayer can deduct from his income the amounts he had to pay in order to appeal against a judgment or a decision by an income tax assessor.

Now, when a taxpayer is faced with court action by officials of the Department of Finance or the Department of National Revenue, sometimes it costs him a lot of money to pay his lawyers. Does the government intend to assume such expenses when the taxpayer wins his case, which would prove that the government employees were completely wrong?

[*Text*]

Mr. Gordon: They have not thought of anything that goes that far, although if it went so far as to get before the exchequer court or the supreme court and that court saw fit to award costs to the taxpayer, then he would recoup them to that extent; but not in an appeal to an official of the department or to the tax appeal board.

Mr. Olson: I do not want to belabour this matter, Mr. Chairman, but I just want to clarify one point. Then there is no possibility of a taxpayer being able to claim any part of the costs involved in objecting to an appeal—that is, for accountants' or lawyers' fees, or anything of that nature—in a case that went only as far as one of the officials of the department or even the tax appeal board? It would have to go beyond that, to the exchequer court or the Supreme Court of Canada, before he would be able to make any claim from his taxable income with respect to the costs of so doing?

Mr. Gordon: I am afraid, Mr. Chairman, that we have become a little mixed up with this word "costs". The kind of costs that my hon. friend referred to I would like to call expenses. Those legal expenses or other expenses, under this section, will be allowed as deductions from the taxpayer's income whether or not he wins the case. If, however, he goes further, to the exchequer court or the supreme court, wins his case and the judgment includes what are known as costs, this paragraph means he is reimbursed for his legal fees. Then, if having been allowed to deduct the legal fees in the first place, he gets them paid back to him by the crown, he has to include what he receives as income. In other words he cannot have it both ways.

Mr. Thomas: Mr. Chairman, there still seems to be some confusion about this. Let us take the case of a constituent of mine who objects to his assessment. He goes as far as he can with the local officials; then he comes to Ottawa and spends a week here, possibly with counsel, and debates the matter with the officials of the Department of National Revenue. Can he deduct the cost to which he has been put? Is it a deductible item in the preparation of his income tax?

Mr. Gordon: Yes, Mr. Chairman, absolutely. The last phrase refers to something else altogether. But in the example given by the hon. member he would be entitled to deduct from his taxable income his total expenses in connection with his representations to the department. That is the point about which my hon. friend from Digby-Annapolis-Kings has some doubt, I think, but according to the resolution all the expenses incurred by a constituent from London going to Ottawa, with counsel or anybody else he might like to take with him, will be allowed as a deduction from his taxable income.

Mr. Thomas: Does that apply whether or not he wins his point?

Mr. Gordon: Yes, whether or not he wins.

[*Translation*]

Mr. Caouette: Mr. Chairman, as an example, a taxpayer files his income tax return in which he claims, let us say, a sum of $700 as charitable donations. The department decides to cut down this sum and reduce it to $200, and does so arbitrarily as usual. The taxpayer then asks the services of a lawyer to plead his case and substantiate the amount claimed as charitable donations. Will all the expenses thus incurred by the taxpayer be deductible for income tax purposes, whether he wins or loses his case?

[*Text*]

Mr. Gordon: Mr. Chairman, all these expenses are deductible from his income; not from his tax but from his income. If he is arguing about an amount of $300 and his lawyer charges him $500, he can deduct the $500 from his income but he still has to pay the lawyer $500. So there is a pretty good check on this.

Mr. Caouette: Does the minister not think that the crown should pay him back if he wins his case?

Mr. Gordon: That is an entirely different subject, Mr. Chairman, and is one which has come up. Various people have suggested this. It has been considered by the department and I am sure it is being considered by the royal commission on taxation; but in this particular resolution this is not proposed.

Paragraph agreed to.

The Chairman: We will return to paragraphs 3, 4 and 5, which were stood aside last night.

On paragraphs 3, 4 and 5.

Mr. Starr: Mr. Chairman, for a number of weeks now we have been endeavouring to get some correct information from the ministry with respect to industries which have established themselves in designated areas for the purpose of availing themselves of the incentives proposed by the government. In all these efforts we have not as yet been able to get anything definite either from the Minister of Industry or from the Minister of Finance; all we get is a conglomeration of words and answers which are not directly related to the questions asked.

As an example of this, Mr. Chairman, a written question put by the hon. member for Peterborough was replied to on April 13. The hon. member asked five questions and I will refer only to the first, which is reported at page 2078 of *Hansard*. It is as follows:

> 1. How many industries have settled in the designated areas since these areas were set up?

This is a question which is quite simple and understandable. It is asking how many industries have settled. Let us take a look at the reply which the hon. member received from the Minister of Industry:

> 1. Thirty four new businesses are being established in Canada—

The question asked how many have settled, and the answer is that 34 are being established in Canada. The answer is not in conformity with the question put. Then yesterday the Minister of Finance, as reported at page 2632 of *Hansard,* made this statement:

> I am informed that 150 proposals for new businesses have been discussed with the area development agency. Of these over 40 companies have formally indicated they are going ahead with projects to be located in 14 of the 35 designated areas.

Then at the conclusion of his remarks the hon. member for Digby-Annapolis-Kings asked the minister:

> Could the minister give us the geographical areas involved in these applications? I do not want them by counties but how many are there, for instance, in the Atlantic provinces and how many in Ontario, Quebec and the west?

There is nothing difficult to answer there. The minister replied as follows:

> The Minister of Industry informs me that an answer was given today and will appear in *Hansard* for today. I do not have the answer before me.

Now, Mr. Chairman, we have searched vainly in *Hansard* of yesterday's date to which the minister referred, but no answer appears to have been given. This is just an indication either of evasiveness on the part of ministers or a lack of knowledge as to what is happening. As I say, we have searched *Hansard* without success, failing to find the answer which according to the minister was given.

Then the Minister of Industry got into the act a little later on, and amongst other things he said, as reported at page 2633 of *Hansard*:

> These 40 industries in 14 of the 35 designated areas are planning capital investments—

Then he went on to give the amounts. Surely the government, through the Minister of Finance or the Minister of Industry, can tell us in fairly wide terms where these 40 industries are establishing, or have established, themselves. I do not think any industries have established themselves in Canada yet in any of these designated areas, because I followed this matter up and asked this question of the Minister of Industry yesterday, as reported at the same page of *Hansard*:

> Will the minister tell us now how many have been actually established? Has there been one, have there been four or has there been none?

I am sure that yesterday the Minister of Industry said there were none, yet in *Hansard* this answer appears:

> Mr. Drury: I do not think that there is one that has come into commercial operations yet.

That is the sort of answer, Mr. Chairman, which we get to a specific question. I asked the minister whether he would tell us how many industries have been actually established. Again I got an evasive answer, although I do not think the minister uttered the words which appear in *Hansard* because I am fairly certain he said none. But according to *Hansard* he said:

I do not think that there is one that has come into commercial operations yet.

In view of all this confusion and evasiveness—and all we in this committee are trying to do is find out the facts—surely if none has been established yet the government ought to be honest and aboveboard and say so. Several industries have made inquiries, and I understand that naturally they would, but in fact no industries have been established as yet. That is my understanding. I suggest that we stop all this beating about the bush with words, because I think we would get on much more quickly if the answers were direct and to the point.

Mr. Gordon: Mr. Chairman, I have no intention of beating about the bush with words. the legislation became effective, I think, on December 5 of last year. It provides that if a new manufacturing or processing business—I forget whether the word is "establishes" but I will use that word—establishes itself in a designated area and gets into production on a commercial scale within a certain period it then qualifies for these tax concessions. Most of these businesses are large ones.

Mr. Starr: Would the minister put on record the period in which they must qualify?

Mr. Gordon: The period was 24 months from December 5, 1963. It is now proposed that it be extended to March 31, 1967. This is an example of what happens. In the first place, the businesses concerned will decide that this is a good thing for them to do and they may or may not come and discuss the matter with the department. There is no need for them to do so. Therefore the department is only aware of the ones that actually come to it. There is no obligation to come and they do not lose anything if they do not come. These businesses then have to build a plant or—

Mr. Starr: Or rent one.

Mr. Gordon: —rent one or buy equipment and get into commercial production. So far none have done that to my knowledge. The Minister of Industry said that a certain question had been answered yesterday and he did so because he had sent the answer to the office of the Secretary of State. However, it did not reach that office in time to be included in the answers that were tabled yesterday and appear in yesterday's *Hansard.* But the question is as follows:

Of the 34 manufacturing businesses that have been established in Canada in designated areas, how many have established in (a) each province, (b) Windsor, Ontario, (c) Brantford, Ontario?

The answer, which will presumably appear in tomorrow's *Hansard,* is as follows:

"Of the 34 new businesses which are being established"—

As I said a moment ago, none are actually in commercial production yet.

—"in Canada with the declared intention of benefiting from the designated area tax incentive program the breakdown is as follows: Alberta and British Columbia, 1"—

I do not know which province it is in.

—"New Brunswick, 2; Nova Scotia, 3; Ontario, 17; Quebec, 11, a total of 34".

The answer to the (b) part of the question is "Windsor, 2" and to the (c) part, "Brantford, 10".

Another question which I was asked yesterday had to do with the location—

Mr. Starr: May I interrupt at this point? Is there any definite commitment of any kind, any definite declared intention on the part of any industry to carry through such a project, or is it possible that some of them may change their minds and not establish?

Mr. Gordon: There is no reason at all why they cannot change their minds, run out of money, go bankrupt. Any of these things may happen.

Mr. Starr: In other words, there is nothing definite.

Mr. Gordon: I feel that the hon. member for Ontario really should be a lawyer.

Mr. Starr: I just want to get at the truth.

Mr. Gordon: The fact is, as I have said before, that none of these businesses has yet got into full production. To that extent I suppose you might say there is nothing definite, but the indications are pretty attractive.

Mr. Starr: May I interrupt again? How many have started construction?

Mr. Gordon: I have not got that answer, but at the time this question was asked there were 34 and now there are 40 that have stated to the department that they are going ahead. There are also a number of others that certainly are going ahead but have not put it in categorical terms. If I may answer the question of my hon. friend about the breakdown in Nova Scotia and New Brunswick, one of these businesses is in the process of establishing in Amherst, two in New Glasgow, one in Campbellton and one in Sussex.

Mr. MacEwan: Would the minister have the names of the businesses to be established in New Glasgow?

Mr. Gordon: I have not got the names with me but I will be glad to ask the Minister of Industry to send them to my hon. friend, if that will be satisfactory.

Mr. Stenson: Could I ask the minister for the names of the ones establishing in Brantford?

Mr. Gordon: I have just been cautioned by my advisers that I had better be careful about the promises I make and I may have to retract the one I have just made. Some of these businesses may not wish it to be known ahead of time that they plan to locate in these areas, but if they have no objection I will be glad to supply the information.

Mr. Howe (Wellington-Huron): Could the minister advise us what information these firms have to give to the government before being issued a permit to go ahead?

Mr. Gordon: They do not have to give any information and they do not have to receive any permit. They have to establish the fact that between these various dates they went into business in one of these areas. They have to receive a certificate from the Department of Industry that within the specified time they commenced the business of manufacturing or processing in reasonable commercial quantities. Those are the phrases that were used last year and that are in the act now.

Mr. Stenson: Will the names of all industries that receive income tax deductions be available?

Mr. Gordon: I see no reason why that information should not be supplied, and I think it should be. So that we can button this up, inasmuch as I do not have the information myself I wonder whether the hon. member would be kind enough to drop a line to the Minister of Industry asking for the names of the businesses in the areas in which he is interested, and I will twist his arm and see if I can get as much of the information as possible for the hon. member.

The Chairman: Does this conclude discussion of paragraphs 3, 4 and 5?

Mr. Starr: I just want to make one observation with reference to a question I asked the Minister of Industry yesterday. I am sorry he is not in the house but I would make the same observation if he were. I asked him this specific question, as found on page 2633 of *Hansard*.

> Will the minister tell us now how many have been actually established? Has there been one, have there been four or has there been none?

According to my recollection the minister said "none" and sat down. Yet in today's *Hansard* the following answer appears:

> Mr. Drury: I do not think that there is one that has come into commercial operations yet.

[Mr. Gordon.]

I am certain the Minister of Industry did not say that at all. All he said was "none" and sat down. That indicates that even when a direct answer is given it is eliminated and an evasive one is put in its place.

The Chairman: Does this conclude the discussion of paragraphs 3, 4 and 5?

Mr. Muir (Cape Breton North and Victoria): Mr. Chairman, may I ask the minister if he has now departed from his previously stated views in the Gordon report that the Atlantic provinces are a land in which there is a lack of potential, etc., and would he use his good offices in conjunction with the Minister of Industry to coax, coerce, encourage, beg, if you wish, some of these industries that are interested in locating in such areas to look at Cape Breton Island and see if they may be able to assist that area, because we are facing a lot of unemployment?

The Chairman: Order. I am sure the hon. member realizes that when he asks the Minister of Finance to do something which should be done by the Minister of Industry he is getting away from the item now before the committee.

Mr. Muir (Cape Breton North and Victoria): I, of course, bow to your ruling, Mr. Chairman. I would think that possibly the Minister of Finance is on good terms with the Minister of Industry.

Mr. Horner (Acadia): Before we proceed to the next item, may I ask if I correctly understood the minister's answer that there were no designated depressed areas in western Canada at all?

Mr. Gordon: No, you were not correct, Mr. Chairman.

Mr. Horner (Acadia): I might say that the west has long been seeking industry because the farmers in the west have felt that they have danced to the tune of the eastern manufacturers long enough. I should like this government, as I know the previous government did, to pay particular attention to the development of the west by trying to get new industries in that part of Canada. I should like to see the Minister of Finance and the Minister of Industry take a greater interest in that part of Canada in relation to this section of the Income Tax Act.

The Chairman: Does this conclude the discussion on paragraphs 3, 4 and 5?

Mr. Hales: No, I should like to speak on paragraph 4. Will the minister explain to the committee this reference to the fair market value? Does this mean that a manufacturer can use second hand machinery now, whereas before he had to use new machinery?

Mr. Gordon: The purpose of the proposal in the resolution is precisely the opposite. As the law now stands the use of capital goods for used machinery can be manipulated and a large quantity of second hand equipment could be bought from a parent company at a very slight capital cost, and a business may qualify by equipping with very little new machinery. There would be no advantage to this. In order to prevent this manipulation, the resolution proposes to substitute fair market value of assets in place of the written down value of capital cost in the application which is now found under section 71A(3). In this test it is provided that a company does not qualify unless 95 per cent of the machinery, equipment and buildings owned or leased and used in the business are situated in the designated area. It can be got around by a little ingenuity, and I think that is the kindest word I could use at the moment. This section is designed to prevent that.

Paragraphs 3, 4 and 5 agreed to.

The Chairman: Shall we go to paragraph 8?

On paragraph 8.

Mr. Nowlan: I should like to ask the minister to give us an explanation of paragraph 8, which is a very technical one. It is one, I am sure, for which he can give us an adequate explanation so that we can understand the technical language.

Mr. Gordon: Mr. Chairman, this proposes a broadening of the rules concerning the deduction of amounts contributed by employees into a registered pension plan. It proposes an amendment to allow an employee to deduct an amount contributed in respect of services in past years while he was a contributor to a plan, even though he may also claim a deduction for the same years in respect of services in past years while he was not a contributor. The purpose of the proposed amendment is to cover a situation where a member of a pension plan wants to make a lump sum or annual contribution in respect of services for previous years, during some of which he was a contributor and during some of which he was not a contributor. The intention is to smooth out or to clarify the situation where some individuals are being discriminated against.

Mr. Monteith: I did not understand what the minister meant when he referred to past years. Before I come to that, I gather that the reference to any previous year since 1962 means that in computing his income an amount may be deducted in 1963 or subsequent years; am I right in that? If a taxpayer were to file a claim against 1963, which presumably has been filed, this would be taken into consideration. The minister said, "During past years while he was a contributor and while he was not a contributor." I presume he is going to make a lump sum payment to cover the period while he was not a contributor, or distributed over a period of time, related to that period when he was not a contributor. Is he presumed to be making that payment on that period now, or increasing the payments for that period?

Mr. Gordon: It has been suggested to me that instead of trying to give a short and snappy answer to that question I should explain what the present law is. The law at present permits an employee to claim a deduction for a contribution into a registered pension plan under three principal subparagraphs. The first deals with current services, not exceeding $1,500 a year in respect of such current services; the second is for past services, not exceeding $1,500 a year in respect of services in past years while he was not a contributor. If an amount in excess of $1,500 is contributed under this subparagraph in a year, the excess may be carried forward and deducted in subsequent years.

Now, the third provision also has to do with past services. It applies if an employee has not made a deduction under the second provision. He may deduct an amount in respect of services in past years while he was a contributor; and the amount deducted in a year under this subparagraph, plus the amount deducted under the first subparagraph for current services may not exceed $1,500. This means an employee may deduct a maximum of $3,000 under these various provisions. The deduction under the second one is intended to cover the employee who did not join a pension plan of his employer at the commencement of his employment, but in later years wants to make a contribution for those years of employment while he was not a contributor. The deduction under subparagraph (3) is intended to cover an employee who wishes to increase the contributions he made in previous years. The proposed change would permit an employee to make a deduction in respect of services in past years while he was not a contributor, even though he also deducts an amount in the year in respect of services in past years while he was not a contributor. The maximum amount deductible in respect of past years while he was a contributor shall not exceed $1,500, minus the amount deductible in a year, (a) on account of current services and (b) on account of services in past years while he was not a contributor—

Mr. Monteith: Would the minister repeat that last line, minus the amount—

Mr. Gordon: Minus the amount deducted in a year (a) on account of current services in past years while he was not a contributor.

Now, I thoroughly agree with other members of the committee that this is a rather complicated subject. The purpose is to allow people to pay up their past contributions if they so wish, and not to hinder them in the process.

Mr. Monteith: Is the total amount that he may deduct in any one year still $3,000?

Mr. Gordon: Yes, that is correct. It can never be more than $3,000.

Mr. Monteith: But he may distribute it in different categories?

Mr. Gordon: That is right.

Mr. Nowlan: This was intended to be a relieving section?

Mr. Gordon: That is correct.

Mr. Nowlan: I might say, if it has any bearing on the situation, that there is a member of the committee who is not here today who comes into a category described by the minister, being in the employment of one of the very large corporations of this country, and he was told by his personnel officer that he would be penalized by the passing of this paragraph. The hon. member is not here today, but presumably he will be present when the bill comes before the house. At that stage he may have some questions concerning his own personal status, but the minister says this is a relieving section and in no way penalizes those within any of these categories.

Mr. Gordon: Perhaps the hon. member for Digby-Annapolis-Kings would be kind enough to speak to his friend so that I might have an opportunity of having a word with him before the bill comes forward.

Mr. Nowlan: I will do that.

Paragraph agreed to.

On paragraph 9.

Mr. Crouse: This is an interesting paragraph, especially in view of the fact that the Department of National Revenue has been endeavouring to encourage Canadians to pay their taxes as early as possible following the end of the calendar year. If further payments are to be made into a registered pension plan over a period of 120 days from the end of the year, it is only natural that taxpayers will wait for receipts from a pension fund, and this will further crowd the filing of returns into the last 30 days before returns are generally due. Will an individual, who may be paying into a pension plan, be allowed 120 days along with employers, or will he just be cut off at the end of the 60 day period? At present this paragraph states specifically that the extension to 120 days applies only to employers.

Mr. Gordon: The intention is that this would only be extended to employers because the individual has a fixed amount he has to pay, and he knows what it is. In some of the corporation pension plans the amount a corporation pays in is dependant to some extent on its profits for the year. It may pay a certain amount plus a percentage of its profits, and in some cases it has been said that corporations do not know what their profits are 60 days after the end of the year.

There are some companies which take a little longer than others in closing their books, and it has proven to be impossible for them to determine what they owe to a pension plan within a period of two months. So they need longer in order to ascertain the exact amount.

Mr. Crouse: I thank the minister for that explanation, but it is equally true that some commercial salesmen for insurance companies, and other individuals working for large corporations, are not aware of the amount of commission or bonus that may be forwarded to them. If their bonus is late in arriving they may wish to lower their own income tax by making a heavier contribution to a pension plan, and it would be only fair that this provision, if it is extended to large corporations, should also be extended to all Canadians so that there would be no discrimination.

Mr. Gordon: There may be something in what the hon. gentleman says, although I am informed that there have been no representations and no complaints on this point. I would prefer to inquire into it to see if there is a real difficulty before taking it into account. I must say I am sympathetic with the point that has been made, and it is the sort of thing we might look into next year. However, I would like to be sure that there is some substance to it.

Paragraph agreed to.

On paragraph 10.

Mr. Monteith: I am assuming that actually the intent now is that any amount received by an employer upon the winding up or reorganization of a pension fund or plan shall be included in his income in the year it is received. I understand there has apparently been some weakness discovered in the present bill, and that this amendment is purely to make sure that this is so.

Mr. Gordon: That is correct, Mr. Chairman. In one court case, which I think brought hope

to the hearts of others, it was ruled that when a pension plan was wound up and there was a surplus in it which came back to the corporation, the corporation did not have to pay tax on the amount it received in this fashion. This was a windfall and the corporation got off scot free. It was brought to the attention of the government and it was decided that this was something that should not be allowed to continue.

Mr. Nowlan: I am wondering about the wording of the paragraph. I can understand that on the winding up of any pension plan the amount left should be taken into income, but I can conceive where in the reorganization of a pension fund this would not be fair or advisable. I was wondering whether it should not be worded to read "shall be" on the winding up and "may be" on the reorganization of a pension plan, in order to permit some discrimination to the officials administering the act, rather than to make it mandatory.

Mr. Gordon: It would only be taxable if the corporation received the money. After all, the corporation would have been allowed this as a deduction in earlier years when the amounts were paid into the pension fund. If, at any time, it gets that money back it should pay tax on it, and I think it would apply to reorganization as well as winding up.

Mr. Nowlan: I could imagine a reorganization where it would be just a transfer, where it really does not become vested in the corporation.

Mr. Gordon: This would only apply if it became vested in the corporation.

Paragraph agreed to.

On paragraph 11.

Mr. Nowlan: Would the minister give us an explanation of this paragraph? I think he said yesterday that it is a technical one to clarify the act. I would like to have the explanation again.

Mr. Gordon: Under the proposed change an expense that becomes owing in a year will be deductible in that year, but if the amount is not actually paid within two years from the end of the year in question—the end of the year in which it becomes owing —the taxpayer who has taken the deduction must add the amount back into his income in the third year unless he, and the person to whom the amount is owing, file a certain election.

In this election the debtor and creditor must agree that the taxes should be computed as though the debt had been repaid and replaced by a loan. If such an election is filed, the amount owing shall be deemed to be paid in the third year and returned to the debtor as a loan.

I would like to give an illustration of this. If the taxpayer claims a deduction for interest which is payable to somebody else, the "somebody else" does not pay any tax on the interest until he receives it. The first taxpayer can claim a deduction at present even though he does not pay it.

It is suggested there are cases where the crown is short-changed, if I may use that expression, in this way, and if that particular interest charge is not actually paid within three years it has to be brought back into the income of the original taxpayer who obtained a deduction in the first year. I do not suggest this is a major loophole, but it is certainly a mousehole.

Mr. Monteith: What if the taxpayer pays it in a subsequent year?

Mr. Gordon: Then he gets the credit for it. He gets the reduction once, not twice.

Mr. Monteith: Yes, but if he takes it back into income he is paying tax on it.

Mr. Gordon: Then when he gets around to paying it he is allowed to deduct it.

Mr. Monteith: He gets it back at that time.

Paragraph agreed to.

On paragraph 12.

Mr. Diefenbaker: There are a few references I intend to make regarding this matter and, of course, I intend to seek information from the minister respecting some observations made very recently by United States under secretary George Ball who spoke on United States-Canada economic relations last Saturday night.

I should like to find out from the minister what his views are on the speech which was delivered—a speech which he tabled following a request on my part that he do so yesterday.

I begin by referring to the transcript of the program "Conversation with the Prime Minister" on Sunday, April 19, wherein the Prime Minister, speaking with political modesty, referred to a clipping from a newspaper correspondent in Washington which said that Canadian-United States relations are better today than they have been in years—

Mr. Gordon: Good.

Mr. Diefenbaker: The finance minister applauds. I merely direct attention to that. I take it that, in keeping with the attitude adopted by all ministers of this government, any statement made by the Prime Minister,

regardless of whether they agree with it or not, is the object of approbation and loud applause.

Now I intend to refer, first, to the Canadian Press dispatch in which Mr. Ball is reported as referring to key economic policies of the Canadian government—I refer to the dispatch in the narrative form.

> He said that in a situation such as that of Canada and the U.S., with closely intertwined economic affairs and large trade, "any change in the existing ground rules can have immediate and substantial repercussions".

Then he went on to list the various things which could cause what he called repercussions:

> Measures designed to induce a change in the character of foreign investment from equity to debt.
>
> Measures designed to "refuse national treatment to capital that had earlier been welcomed."

There is no indirectness about those two criticisms or statements. They have to do with action taken by the present government. The third is:

> Measures to bring about the transfer of production from one country to another.

That criticism, too, is levelled directly against the present government which, when in opposition paraded itself as the friend of good relations with the United States and criticized us for what we had done in order to maintain Canada's individuality. At that time hon. gentlemen now sitting opposite condemned us for endeavouring to assure that our resources in the north, controlled by the Canadian government, should as far as possible be available for investment by Canadians. Having made those criticisms, the very first action taken by the present government was the threat of the 30 per cent tax—about which I do not intend to say more—and the subsequent retreat, and then the further action which Mr. Ball criticizes in his remarks. Then the article goes on to say:

> Canadian finance minister Walter Gordon, in a speech before the New York Economic Club last Monday, said Canada would like to see an increasing proportion of foreign investment in Canada "in the form of loans which can be paid off."

And it continues:

> Ball's second point, about refusal of national treatment to capital that had earlier been welcomed, appeared to refer to Canadian action to increase Canadian financial participation in U.S.-owned subsidiaries.
>
> The third point on transfer of production ran counter to statements by Gordon in New York that Canada would have to increase its exports of manufactured goods to the U.S. to cope with its current account deficit.

Then the report describes this speech as having a "rough and tough quality"—

Mr. Gordon: That was not my speech.

[Mr. Diefenbaker.]

Mr. Diefenbaker: No, not the speech of the hon. gentleman, whose suavity can never be described in those terms. He believes in saccharine words, and then he withdraws. Not so, Mr. Ball. Mr. Ball's speech had a rough and ready quality—in the words of the article, it was "a reminder of what America could or could not do to help Canada". Then he went on to deal with Canada's general attitude, and he dealt, also, with some bitterness—never does the Minister of Finance, and I pause to say this, allow any of his words to be saturated with bitterness; I am speaking of the Canadian Press description of Mr. Ball's berating of the government of Canada—he spoke with bitterness of "Ottawa proposals to discourage Canadian companies from advertising in American magazines which circulate in Canada, as a form of protection". Then he added:

> I would hope that however the Canadian government may ultimately resolve this question it will not act in such a manner as to inhibit the free flow of thought across our borders.

His observations in this direction were, of course, entirely motivated by a commendable desire to ensure that Canadians should not deny themselves the opportunity of a full and complete education in world matters. Then the report says:

> Mr. Ball's speech reflected a Washington apprehension that in its century-old desire to maintain a Canadian identity and amidst a growing tension among French Canadians in Quebec seeking greater autonomy or even separatism, Ottawa may adopt policies to counter what the state department regards as the inevitable spread of "economic interdependence" between the two countries.

There is something here with which we are all of us in agreement. In a concluding report, the American assembly, to which this speech was delivered "decided the United States should not try to bind Canadian foreign policies into a pattern of conformity with United States policies". That was tried in connection with the trade and commerce of this country in non-strategic materials during the days when we were in office—and tried unsuccessfully.

What I wish to find out from the minister is this: Has he made any representations as yet, to Mr. Ball? It is going to be difficult for him to do so, because when there was that great interference by the state department with political issues in Canada in January of 1963 it was those hon. members who sit opposite, now on the treasury benches, who approved of gross interference in matters of Canadian domestic concern. I am interested to know whether there has been any change in the viewpoint of the government in this connection. Does the minister accept this stark,

harsh criticism even described by the Canadian Press as rough and tough? Does he accept this? We would like to be let in on some of the representations the Canadian government is making in this regard. It is said, "Sharp issue has been taken with this government's fiscal and economic policies". The opposition has taken sharp issue with some of these policies which were entirely ill-digested, ill-conceived and had to be withdrawn by the Minister of Finance and those associated with him.

We ask, what is the approach, because it was quite a remarkable speech that was delivered. It dealt with cultural infiltration. He holds out some hope for Canada in this regard, because he says:

I am aware of the apprehensions in some circles that Canada risks being culturally overwhelmed by the United States. We Americans are a vocal, sometimes a rather noisy, people, and the development of radio and television has extended exposure to American cultural influence beyond the written to the spoken word.

Then he is disturbed about the press—I have referred to that already—being interfered with in any way, as he said. Then he referred to the areas of complexity and said:

The areas of greatest complexity and difficulty between our two nations lie in the range of our commercial and economic policies.

He pointed out that there is really no criticism that the United States has tariffs high enough to keep our products out of the United States, while our tariffs practically render available competition from any part of the world. He says this:

But what is often forgotten is that on a per capita basis Canadians have invested almost twice as much in the United States as Americans have in Canada.

That is just one of the old dodges regarding the use of statistics, which is not applicable in any way to the situation that prevails. He said:

From the point of view of economic principles, there is no doubt that Canada and the United States could employ the resources of North America most efficiently by developing the continent as a single great market.

Indeed, he goes so far as to suggest that we should get together. He would not be much concerned with divisions between our countries. We have resources that they need, and therefore everything should be done, as he said, to move toward commercial liberalization. He said it is hopeful that we will move even farther in that direction, although some of us have drawn back, for political reasons, from the ultimate logic of the single market. Then he deals with the minister and he really gives him the works. It was obvious yesterday that the minister realized he had got the full treatment. The minister does not always smile when he gets the full treatment, but he is smiling on this occasion because he cannot do otherwise; he is going to meet Mr. Ball tomorrow. Mr. Ball said:

But difficulties necessarily arise when the anxiety to avoid economic interdependence leads to policies that are discriminatory and inequitable.

That is his description of the economic policies of this government:

This is particularly the case with close neighbours such as the United States and Canada—

Then he goes on to say this:

—any change in existing ground rules can have immediate and substantial repercussions. Measures by governments designed to induce a change in the character of investment from equity to debt—

That was the minister's own suggestion only a day or so before:

—for example, or to refuse national treatment to capital that had earlier been welcomed, or to bring about the transfer of production from one country to another can be seriously disruptive.

The minister cannot accept that, if he remains true to the ever nescient policies that he enunciated in June and July last, and since. I want to hear what his reaction is to this. I know that someone said some of his policies were pre-Keynesian. Some of them are pre-Cambrian. Mr. Ball takes it upon himself to teach the Canadian government a lesson. He said:

The desire of our Canadian friends to safeguard the identity of their national market apparently stems from the belief that the nation and people may lose something of their national political independence if their economy is too closely meshed with that of other nations and particularly the United States.

I do not think we have ever got a more complete lesson from the administration of the United States on what Canada should do than Mr. Ball gave vent to the other day. Then he said:

Certainly, neither Canada nor the United States is interested in yielding or compromising its own freedom of political decision... I do not believe, therefore, that as between Canada and the United States there is any basis for assuming an automatic and parallel relation between increased economic interdependence and a loss of independence in political life.

Now, sir, I want to hear from the minister what is his reaction to this. Does he share the fulsome terms that were used in criticism by him and his associates, when in January and February, 1963 the state department of the United States chose to issue a document giving information such as the one in question here issued by the United States information service? Will the minister tell the committee what is the attitude of the government in this connection? When we were in office we were criticized regarding our attitude toward preserving Canada's right to declare her policies within Canada, while

maintaining the fullest co-operation with the other legions of freedom and the other nations of freedom. We were criticized by the Liberal party and they said we were anti-American. I want to know from the minister now, has he in the course of one year turned a somersault, too, in the views regarding the matters that he expressed a year ago—because it will not be unusual. He will not be alone if he admits he has turned a somersault; he will have company all down the front bench. I want to know, has he changed his views in this regard?

Do you remember, Mr. Chairman, how they criticized us with regard to American investment. Will the minister tell us what American investment came into Canada between last October and December, those three months, and during January, February and March of this year. We would like to get the figures; we have never had the official figures for the last three months of 1963. We know that when we were in office American investment in Canada, in the last two three-month periods, amounted to $400 million. We know that in that third quarter of 1963 that amount had fallen, under this government, with its tinkering, its economic nonsense in the manner in which it brought these policies into effect. We wanted to bring about Canadian strength, not through the club but through incentives, and that is what we did. That is the reason we were able to assure a continuance of investment.

Four hundred million dollars was the average for the last two three-month periods of our tenure of office. In the third quarter of 1963 it was down to $98 million. That is my understanding, on the basis of the figures that I have, although I do not say they are correct. It is a matter of computation that we have not been able to get. The amount is down to something like $60 million, I understand. I ask the minister before this item is passed to give us the figures of American investment in Canada in the last three months of 1963 and the first three months of 1964. If he cannot give us the first three months, he can give us the first two months, which will show that as a result of the economic fallacy that was his and those associated with him they have destroyed or reduced almost to a trickle the investment in our country.

Why? Simply because of the uncertainty of investors in Canada. They do not know what will be the next tinkering in which the Minister of Finance will indulge himself. Nobody knows. The minister started by chopping away, decided that he would discontinue his chopping and changed to a smaller axe. But the effect is just the same. We want to know what is his attitude in this regard. Why is it that there has not been on his part greater emphasis on incentives, rather than on pressure and the infliction of what we described as discriminatory reactions on the part of this government? We want to know whether, if paragraph 12 is passed, this will be the last tinkering which will be done. Countries everywhere want to invest in Canada.

When the Conservative government was in office the Liberal party of that day said that we had discouraged investment. However, since they have been in power investment has gone down and down, and more than one minister has gone on bended knee to Washington in order to engage in dialogue with Washington to implore, as it were, an increase in the amount of investment. The minister even admitted the other day that foreign investment must continue. If we require foreign investment, then what is going to be done to encourage it? We believe in foreign investment. We never altered our view in that regard. But we stated that while investment was welcomed, investment in Canada should be used by the corporations for the benefit of Canada generally rather than be put at the direction of a country elsewhere, however friendly. That was our view and our stand, and we maintained that United States investment in Canada should become Canadianized.

What has happened today? First, the government brought in a series of experiments. Bold and imaginative, was the expression of the Prime Minister. They were bold, but they were so unimaginative that the government had to withdraw them one by one. Now the latest retreat is in this particular piece of legislation. How the government rushed to increase the percentage from 15 to 20. This was the salvation, said the Minister of Finance and the Prime Minister. Now after a few months they come back to parliament and say: "It is just another mistake which we made". No; they do not admit that: It is the result of dialogue. That is the expression today.

We want to hear something of this dialogue between the Minister of Finance and other ministers with United States cabinet secretaries. What has happened? What representation has been made? What is the general attitude of the government? Is it a protectionist attitude? How the Liberal party used to condemn us for a protectionist attitude. I would point out that no longer are we condemned for that. Instead the present government's own press gives it almost universal condemnation for its uncertain, irregular, ill-conceived policies which have been effective in one respect only, and that is in having

parliament pass these measures, only to be asked a few months later to reverse their decision.

We want to know, why this reversal. Why are they swallowing themselves on that side of the house? The "medicine" which was prescribed eight, nine or ten months ago was not mixed hurriedly. It was all set out in the pharmacopoeia of "Troubled Canada". When was it discovered that the beneficial medicine which was so effective when it was first prescribed in that masterful work has turned out to be poison? These are matters about which we should like to know. I realize the minister is just waiting for the opportunity to furnish this information, and I want to give him a full opportunity.

I mentioned a moment ago that even the minister's best friends are criticizing him. You would not think, Mr. Chairman, that even they would tell him. "Even your best friends won't tell you", is how one ad reads. But the minister's best friends are telling him today. This is what the Winnipeg *Free Press* said on March 28:

> Canada's attitude toward trading relationships between the industrialized and the underdeveloped countries of the world was outlined to the United Nations world trade and development conference in Geneva this week by the Secretary of State for External Affairs, Mr. Paul Martin.

Then the Secretary of State for External Affairs is given praise, although we are told that he may indeed be considering leaving us shortly to assume a very high position; at least that is the rumour which is going around in the international field. The article continues:

> Mr. Martin was moderate and cautious in tone—

He does not always show it in the house, but apparently he was on this occasion.

> —but his remarks were sufficiently liberal to take some of the curse off the restrictionist, defensive approach implicit in Mr. Gordon's 1964 budget speech.

The *Free Press* have always worshipped at the throne of Liberalism and been intense admirers of both the Minister of Finance and the Prime Minister. Yet the policies of this government were described as restrictionist and defensive approaches. Then the article continues in these words:

> Canadians who believe that their prosperity depends on greatly expanded international trade have been disturbed at the lukewarm approach to trade shown by the Minister of Finance in his budget speech. Mr. Martin's contribution to the U.N. conference must give rise to hopes that Mr. Gordon is not the voice of the government at Ottawa, but only of a small minority. Whether these hopes are justified will be answered—

—and so on. The general conclusion is that this government, pretending that it is following one policy, has become a restrictive, and I would add discriminatory, government. We want to know why the change. What has happened? Is it actually redemption that has been bought by this government? Last year they said that these things had to be done. They told us that this section raising the percentage from 15 to 20 represented a tremendous step forward. Now the government say: "We are going to depart from it". Mr. Chairman, my time is up.

The Deputy Chairman: Order. It being five o'clock, so that the house may proceed to the consideration of private members' business it is my duty to leave the chair.

Mr. Deputy Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, public bills.

SWEEPSTAKES

LEGISLATION TO AUTHORIZE PROVINCIAL SWEEPSTAKES FOR HOSPITALS AND UNIVERSITIES

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm) moved the second reading of Bill No. C-19, with respect to hospital and university sweepstakes.

He said: I have only a few remarks, Mr. Speaker.

[*Translation*]

Mr. Speaker, I have been introducing this bill in the house for the past few years in order to amend the Criminal Code so that the provinces that wish to do so may hold lotteries to subsidize hospitals and universities.

I am asking for the government's co-operation during this hour to have the bill accepted, since, throughout the last election campaign, according to *La Presse* of March 4, 1963, they were saying for all to hear:

> A Liberal government would authorize provincial lotteries (Mr. Rouleau).
>
> Malartic: The Liberals are quite decided to let the provinces act as they see fit in a field of endeavour which could certainly be important to several of them: that of provincial lotteries.

Now is the time to put to the test the influence of the Minister of Justice, the Quebec Liberals' new lieutenant. We shall see whether he had enough influence to convince the cabinet in such a way that the bill can be passed before six o'clock, because if the Minister of Justice is himself convinced that this measure should be passed, he has advised the government accordingly, and this bill which would enable any provincial government to establish lotteries will be passed.

Besides, the Quebec government has taken a strong stand on the matter, not only

through the former Duplessis administration but also through that of Mr. Lesage. Indeed, in *Le Devoir* of May 6, 1963, here is what I find:

One always thought that, to establish a lottery in Quebec, the Criminal Code had first to be amended.

In his recent budget speech, on April 5, Mr. Lesage advocated the establishment of a provincial lottery.

Mr. Speaker, as there is a complete agreement between the Quebec government and this federal government, I would be very surprised if the government did not adopt the bill this very day, in order especially to enable the provinces to set up their own lotteries.

I am asking Mr. Lesage—

An hon. Member: He is not here.

Mr. Pigeon: —if the bill is rejected because the government refuses to fulfil its promises, its formal promises made during the last election campaign, and if Mr. Lesage is really a man of action, he will prove it to the province of Quebec—

An hon. Member: He has proved it.

Mr. Pigeon: —by compelling the federal government by means of another ultimatum to amend the Criminal Code to authorize provincial lotteries.

Moreover, the newspaper *La Presse*, two years ago, I believe, conducted a survey in the province of Quebec where 98 per cent of those people interviewed professed to be in favour.

Mr. Grégoire: Name them.

Mr. Pigeon: —And this not only in the province of Quebec, but also throughout Canada, as reported in the press.

For example, if I refer to the newspaper *Le Droit* of August 24, 1962, I read the following:

Winnipeg—In favour of a national sweepstake—The oldest veterans' organization of Canada asked the federal government to establish a national sweepstake in compliance with the people's wishes.

Many organizations throughout Canada are making the same request. For instance, in its brief to the Parent commission, the seminary of Chicoutimi recommended the establishment of a provincial lottery, the receipts of which would be used to subsidize education.

It is common knowledge that New Hampshire recently passed an act to allow the establishment of a state lottery. Listen to this:

Governor John W. King announced in the New Hampshire legislature yesterday that he had approved a bill for the establishment of a state lottery, which had been a controversial issue for many months.

Mr. King asked the legislators to help him to establish "the first lottery to be operated by an American state, a lottery which will be administered honestly, efficiently and in compliance with the laws of the U.S. government."

Mr. King, a Democrat Governor in a state controlled by the Republicans, said that Mr. Joseph Millinet, a legal adviser, after discussing the lottery with lawyers of the U.S. Department of Justice, was satisfied that New Hampshire was not violating any federal law.

He said that tickets of that lottery, the first to be legalized in the United States in 70 years, would be sold to any person, whether a resident of New Hampshire or not.

"Our neighbours have certainly the right to spend their holidays here, to buy lottery tickets and to collect their prize if they win," said the Governor.

He added that the federal legislation only applies in the case of traffic between states and not to lotteries operated within a state.

The Governor was speaking before members of the Congress and the Senate at a joint conference.

I have here a copy of *La Presse* newspaper, dated Friday March 13, 1964; there is a picture under which is written:

The crowd gathers at counters where vending machines distribute lottery tickets for $3 each, at Rockingham Park. That first American lottery has been in operation since yesterday, once the New Hampshire electorate voted for it by a strong majority. The first draw will take place on September 12 next.

The legalization of lotteries by an American state adjoining Canada should encourage the Canadian people to buy lottery tickets from that American state, just as they buy them from foreign countries.

It is time for the government to be consistent with itself and fulfil its promise in order to stop that loss of millions of dollars that benefit foreigners.

In New Zealand, where each year $4.5 million was spent on foreign lottery tickets, they set up a national lottery which brings in so much money that the government is wondering how to spend it all.

I am convinced that if the provinces, including Quebec, had the right to set up a lottery, Mr. Lesage would know right away how to spend the money accruing from it since he is piling up deficit upon deficit, whereas taxes are increasing at a fantastic rate, so that the citizens, in Quebec, are now more heavily taxed than those in all the other provinces of confederation.

And that, Mr. Speaker, in addition to taxes imposed by the federal government, such as the 11 per cent tax which discriminates against the municipalities, school boards, crown corporations and provinces—

Mr. Deputy Speaker: Order. May I invite the hon. member to limit his remarks to the bill now under consideration?

Mr. Pigeon: With pleasure, Mr. Speaker, but I wanted to point out the importance of having a provincial lottery in Quebec, in

view of the appalling deficit and heavy taxes that the people have to bear now. No one knows where Quebec is going.

Mr. Speaker, I beg you to convince the house to agree to amend the Criminal Code so that lotteries may be set up to help not only the people of Quebec but also the other provinces which could use such additional revenue.

If this took place in Canada, and in the province of Quebec in particular, it would be possible to reduce taxes, improve certain social services, in brief, improve the conditions of life of the people. And for that there is only too much to choose from.

According to Israel's *Information* dated March 6, 1962, consideration is given to the possibility of setting up in Israel a lottery to finance the building of new schools. Most countries in the world have a lottery. This is the reason why—

An hon. Member: Which ones?

Mr. Pigeon: —we wonder why the government procrastinates and does not carry out the promise it made to amend the Criminal Code of Canada accordingly.

Mr. Speaker, Canada is on the road to ruin. We have an inefficient government which accumulates astronomical deficits; taxes are increasing at an alarming rate and, as I said, the people in some provinces, including the province of Quebec, are downhearted. Industries are considering leaving the province of Quebec because its government is short of sources of income. The provinces need their sources of income. If the federal government were willing to amend the Criminal Code, so as to enable the provinces, including Quebec, to hold lotteries, it would help the provinces to recover these sources of revenue.

I repeat what I said: If Mr. Lesage is really honest with himself, he will not be afraid to give an ultimatum and compel his friends to keep the promises they made during the last election campaign.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have listened very closely to the remarks of my hon. friend opposite. It is unfortunate indeed that he should have introduced a note of partisanship in his explanation of such an important principle, which we endorse.

Mr. Grégoire: If you are in favour of the principle, sit down.

Mr. Choquette: Mr. Speaker, I feel that the remarks of my hon. friend from Villeneuve are rather incongruous and vulgar.

I could not help being surprised when the hon. member for Joliette-L'Assomption-Montcalm so strongly urged the house to pass this bill without delay, because his party did nothing about that during the five years it was in power and also because the hon. member himself never could convince the leader to amend the Criminal Code.

It is most remarkable that the opposition should be so anxious now to have this house recognize a principle to which I personally adhere. Indeed, I am in favour of provincial lotteries but as far as the procedure to be followed—

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

Mr. Choquette: Certainly.

Mr. Grégoire: Does he approve of the principle of a lottery or the income deriving from such lotteries?

Mr. Choquette: In my opinion, the two are indivisible.

The problem is to find additional revenue. Remember the appalling deficits piled up by the Conservative government? Because of them, Canada needs additional revenue, as well as the provinces, in short, all governments. But that does not mean at all that the Social Credit philosophy is a cure-all.

However, if it is possible to find additional revenue that way, that is by setting up a lottery—

An hon. Member: What logic.

Mr. Choquette: —as requested by the hon. member for Joliette-L'Assomption-Montcalm, whereas his colleague, the hon. member for St. Mary (Mr. Valade) is requesting that the Criminal Code be amended, why not do it?

To hear the hon. member for St. Mary call for the amendment of the Criminal Code seemed logical. But I think it rather inconsistent and strange for the hon. member for Joliette-L'Assomption-Montcalm to ask for an amendment to the Criminal Code, as he did a while ago, when the purpose of the bill he is moving is precisely to recognize the principle of the setting up of a provincial sweepstake without having to amend the Criminal Code.

The hon. member said so a while ago. The Criminal Code must be amended. I should like the hon. member to be a little more logical. Does he wish his bill to be passed or would he rather that we put it aside in favour of the bill moved by his colleague from St. Mary and that we call for an amendment to the Criminal Code?

I find his attitude contradictory and I feel he has not given this problem the mature consideration it received from the attorneys general of the provinces and from the federal Minister of Justice. In fact, the latter

has fully examined the effects of recognizing such a principle and, following the federal-provincial conference of last November, a press release was issued. In order that the friends of the hon. member for Joliette-L'Assomption-Montcalm be able to better understand it, I will read it in English:

[*Text*]

Some provincial governments explained the difficulties they have in enforcing the provisions of the Criminal Code in respect of lotteries and gambling.

[*Translation*]

Quebec may be in favour but since the Criminal Code applies to the whole of Canada, we must find out whether the other provinces would agree to recognize that principle.

The press release continues as follows:

[*Text*]

Suggestions were made that the institution of provincial lotteries would alleviate the situation. Other provinces, however, opposed this suggestion. The federal government indicated that it had no interest in instituting a federal lottery but undertook to consider the amendment of the Criminal Code in the light of the views put forward.

[*Translation*]

Mr. Speaker, what the federal government wants to do is to seek an agreement with the various provincial governments to find out in what way the Criminal Code may be amended.

Quebec might agree to it, but if, however, other provinces were opposed to the sale of Quebec lottery tickets in Ontario; if the western provinces were forbidding their citizens to purchase lottery tickets issued in another province, a jurisdictional problem would arise then. Would provincial authorities have the right to forbid the sale, within their province, of lottery tickets issued in another province, namely in Quebec? A conflict, an imbroglio might arise out of this matter.

Mr. Speaker, there is a jurisdictional point involved as well as a problem of law enforcement on the national scale. I agree with the principle of instituting a lottery, but that legislation would nevertheless require an amendment to the federal legislation called the Criminal Code. The Criminal Code needs to be amended in such a way that the legislation will be enforced all over Canada, because it is federal legislation. This is what the hon. member for Joliette-L'Assomption-Montcalm is unable to understand.

Mr. Pigeon: Mr. Speaker, may I put a question to the hon. member?

Mr. Choquette: With pleasure, Mr. Speaker.

Mr. Pigeon: Mr. Speaker, could the hon. member tell the house why, during the last election campaign, the hon. member for Dollard promised in Malartic, on behalf of his party—

Mr. Choquette: On what date?

Mr. Pigeon: On April 5. At that time, the hon. member promised that if his party were elected, it would amend the Criminal Code to authorize the provinces to set up lotteries if they wanted to.

Mr. Choquette: Mr. Speaker, I think that the hon. member for Dollard spoke with much objectivity.

The federal government is not opposed to amending the Criminal Code. The hon. member is trying to make us believe the opposite, and by doing so, he is distorting this whole discussion.

The federal government would like to know how the provinces will react to such an amendment and how it will be possible to apply the Criminal Code, as amended. That raises a problem.

If the problem were such an easy one, or if it could be solved that quickly, why then, when the Conservatives were in power at Ottawa and the Union Nationale at Quebec, did the hon. member not succeed in having the Criminal Code amended? Those two governments were on friendly terms. Everybody knew that the Duplessis and Diefenbaker governments constituted a firm axis and that they were working hand in hand. Everybody knew they co-operated with one another. How is it then that when those two governments were in power, they did not succeed in amending the Criminal Code? It is because there were difficulties. And it is those difficulties which the Minister of Justice wants to remove with the consent of the provinces, so that as smooth an agreement as possible may be reached and so that the principle may be recognized, provided it is applicable under law and order.

[*Text*]

Mr. Olson: May I ask the hon. member one question. Is it not a fact that members of the Liberal government went about the country promising there would be more decisions in 60 days, that they had the answers to some of the problems which the Conservatives found very difficult, and were prepared to implement these solutions at once?

[*Translation*]

Mr. Choquette: Mr. Speaker, I think the question might be put to my hon. friend. Does he consider the matter of provincial lotteries as a problem of the utmost urgency, or rather as a very important one which might, however, be solved in time, so as not to create any unnecessary conflict?

An hon. Member: In 60 days.

Mr. Choquette: Mr. Speaker, the achievement promised in 60 days was to settle the most pressing matters which our friends opposite had been unable to solve, as their policy was leading Canada straight to bankruptcy. We stated that, in 60 days, we would avoid the failure—the bankruptcy—they were bringing about.

[*Text*]

Mr. Barry Mather (New Westminster): Mr. Speaker, in rising to say a few words in favour of the proposal before us, I must make it clear at the outset that I speak for myself and not for my party. I personally regret this. In the New Democratic party we have a lot of very high principles and admirable moral and ethical ideals which I certainly share, but sometimes I feel members of the New Democratic party, like the members of labour movements, and perhaps socialist movements in other countries, are at times apt to be in the order of the old Roundheads of Puritan days, and are apt to take a rather Puritan point of view as to some of the facts of life.

This is in contrast to some of those around about us, those who belong to the older parties, and who are much more like the Cavalier types than the Puritan Roundheads. Having this in mind I think it is possible for me, on my own behalf, to say a word or two in favour of the principle of legalizing sweepstakes, in the same way as it was possible for some of the sober Roundheads to cast an admiring glance at Nell Gwyn, and who were none the worse for it. Speaking as one who favours public control and public operation of sweepstakes provincially as in the public interest, I want to put forward five facts which underline what seems to me the need for this legislation.

First, the question today is actually not whether we want sweepstakes. We have sweepstakes. It is estimated that no less than 28 sweepstake operations of a major nature are functioning in Canada at this time. Gambling and drinking are two of the oldest human frailties of which we have record. Drawing by lot, which is a form of gambling, is favourably recorded in the Old Testament, in Joshua chapter 18 verse 10. In the case of drinking, the public long ago gave up the idea that it could, through prohibition, be legislated out of existence.

We have public control of drinking, with the public contributing to the government, through taxation, a considerable amount of the public drinking money. My contention is that the time has come, indeed it is long overdue, to apply the same general principle to the control of sweepstakes in Canada, just as we have done earlier with gambling at the race tracks.

My second point is that at present, as previous speakers have mentioned, millions of dollars leave this country every year to subsidize the private or public sweepstake promoters in other countries. Legislation permitting a provincial or national sweepstake would reduce this toll, and keep a good deal of this money in Canada.

My third fact is that the most modest estimate of sweepstake revenue on a provincial basis indicates that a province, say the size of British Columbia with the population of British Columbia, would net over $1 million a year. This in effect would be a do-it-yourself tax paid by the sweepstake participants. In time to come, United States tourists would add their money to a British Columbia sweepstake, at no cost to our taxpayers. The proceeds would be sufficient, I estimate, to build at least one chronic hospital every 12 months in British Columbia, something which hon. members will agree is very badly needed there.

My fourth point is that Canada is one of the dwindling number of countries which do not already have some form of national, provincial, or government lottery. Countries with as divergent policies as Great Britain and the Soviet union have, if not a sweepstake in the terms of the Irish sweepstake, at least a government bond lottery through which—and I may say I have one here—a person may buy a non-interest bearing bond and thereby be a participant in a draw which distributes a number of prizes to lucky ticket holders. The public is thereby, as it is also in the U.S.S.R., encouraged to invest in state enterprises and the state saves the interest it would otherwise have to pay. A side beneficial effect of this policy is a reduction in inflationary tendencies by the siphoning off of this amount of money into government enterprises.

There are now 30 countries which have sweepstakes or lotteries of one type or another, including New Zealand which has already been mentioned, where the popularity of these enterprises is now so great that they have several every year.

Fifth, I would urge action to regularize sweeps on a basis of respect for the law. Our present anti-sweepstake law is flouted daily by thousands of Canadians, and has been for many years. It is time to make a law that conforms to public usage in this matter rather than to strive vainly to make the public conform to this outdated and unworkable law.

[*Translation*]

Mr. Jean-Louis Frenette (Portneuf): Mr. Speaker, I do not have a lawyer's qualifications to determine the most efficient way to operate lotteries in the various Canadian provinces. Neither do I intend to discuss the legal aspects thereof, nor suggest the legal procedure best suited for amending the Criminal Code to authorize the operation of provincial lotteries. But I want to express my humble opinion on the subject matter of Bill No. C-19.

Like the hon. member who preceded me, I want to say that I am only expressing my personal opinion and do not want to commit anybody in my group. Though we are but few, it might happen that one or the other would disagree with me.

I therefore want to say that I am in favour of the principle that the Criminal Code be amended so as to enable the provinces which want to do so, to operate the lotteries as considered necessary within their respective territories.

I would even go further than the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), the mover of Bill No. C-19, by not limiting provincial governments as to quantity or method of disposing of the funds thus collected.

When the matter of lotteries is considered, a moral problem is encountered and many people cut short any discussion of the subject by putting up a screen of ethics. But, meanwhile, lottery tickets of all kinds are sold and bought at an ever-increasing rate.

Besides, those lotteries, unfortunately, are organized most of the time by people whose honesty and integrity are more than questionable. No control is possible on the way prizes are drawn, and most of the sums of money collected in this way go into the already full pockets of certain professional parasites.

In my opinion, the question has already been sufficiently considered, at least enough to enlighten us, the legislators, on the urgency of revising our stand on that matter and protecting, as far as possible, the interests of those who elected us.

The newspapers, throughout the country, conducted thorough investigations on lotteries, obtaining in the process opinions from hundreds of thousands of readers who, in over 90 per cent of the cases, said they were in favour of the organization of such lotteries and of amending the Criminal Code, in order to allow provincial governments to establish their own lotteries.

I am sure a great proportion of the people would be glad to take part in lotteries, which they would know in advance to be organized by responsible people, with everything aboveboard and with the proceeds payable to charitable organizations.

In certain quarters, they state it is bad, and even immoral to participate in lotteries, but they do nothing to put an end to it. I believe that with provincial lotteries an end would be put to lots of small organizations, unfortunately controlled by people whose only aim is to exploit a simple-minded public. I do not say that all present organizations are actually in the hands of dishonest people, for there are sweepstakes the philanthropic aim of which is well recognized and the administration of which is perfectly honest.

If we allowed the establishment of such provincial lotteries, we could make use at home, for purposes equally noble, of large amounts of dollars we are presently exporting.

For those reasons, I say it is urgent to legislate in order to stop this hemorrhage of funds which go to help foreign organizations and which could serve right purposes.

In my opinion, it is time the government took its own responsibilities to meet the situation and legislated accordingly. There exists also an evil which should be recognized, I admit. It is perhaps not an argument to put forward, but I know many people have not got the means to buy these lottery tickets but, in view of the existing evil, of two evils should we not choose the lesser.

That is why I believe it is urgent for our legislation to be directed in such a way as to serve the well-being of the population.

Is it not our duty as representatives of the people to pass the pieces of legislation that they want? Is it not our responsibility to reflect here the opinion of our constituents? I believe that is our most definite mandate. That is why, even if I do not completely agree with the provisions of Bill No. C-19, I must nevertheless support it, considering that it is a first step in the right direction.

If I wanted to take this opportunity to play politics, like the hon. members for Joliette-L'Assomption-Montcalm (Mr. Pigeon), and Lotbinière (Mr. Choquette), I would say that if the government is now trying by every possible means to get the necessary revenues in order to meet all its objectives, if governments at all levels are faced with many financial problems they cannot solve, they should apply the monetary policies that we advocate. In brief, they would find them a much more effective remedy than the setting up of lotteries.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, only a few words to express an opinion on the matter.

A while ago, I asked the hon. member for Lotbinière whether he supported the principle of lotteries or the principle of finding sources of income.

Mr. Choquette: On a point of order, Mr. Speaker. The hon. member told me: If you are in favour of the principle, sit down. Now, you can realize the inconsistency in his stand.

Mr. Grégoire: Mr. Speaker, I have much admiration for the hon. member for Lotbinière, but I shall not attempt to act like him. Rather, I shall simply try to express some opinions during the few minutes at my disposal.

Mr. Choquette: That will be something new.

Mr. Grégoire: It would be something new for the hon. member for Lotbinière and I suggest he should give it a try.

Mr. Speaker, we are therefore called upon to discuss the principle of finding sources of income. Of course, it is more pleasant to buy a sweepstake ticket than to see the income tax inspector take our shirts off our backs. At least, lotteries are voluntary and you buy tickets only if you wish to.

But the principle is always the same, that is to find sources of income for the benefit of hospitals and universities. At this stage, we could ask ourselves how far it could go. Will we have raffles, bingos, all kinds of games to find revenues to support hospitals and universities?

I think it would be better to amend our monetary system in order to find, within the framework of logical and sensible systems, sources of revenue to meet government expenditures instead of doing it on the basis of lotteries such as what we are discussing today. As long as the Minister of Finance will not agree to amend the monetary system, lotteries are a last resource and since there are already some operating illegally in the province, why not organize lotteries and put them in the hands of qualified people who would see to it that the profits serve useful purposes?

That is a middle term on which we could agree if we are in favour of the development of hospitals and universities today.

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

Mr. Grégoire: Certainly.

Mr. Choquette: What would be the nature of the monetary reforms he is suggesting to take the place of revenue that would be derived from lotteries?

Mr. Grégoire: Mr. Speaker, that is quite easy; make financially possible what is physically possible. If it is physically possible to build universities and hospitals with the proceeds from lotteries, I say that it is always financially possible to make financially possible what is physically possible.

If it is possible to build a hospital because we have the bricks, plaster, nails, workmen, technicians, engineers and architects and, if the one thing still to be done, Mr. Speaker, is to bring back to their senses economists like some Laval University professors sitting in this house—indeed, we have two of them —well, then, it is easier to establish lotteries.

If it is physically possible to develop hospitals and universities, let it be made financially possible through legislation put forward by the Minister of Finance. It is as simple as that.

I realize that one has to be able to grasp those things in order to accept them. Indeed, for some people who are too blinded by political partisanship or by the various studies of the present system they may have undertaken, new ideas are difficult to conceive.

In closing my remarks, I would like to say this: if there is no lottery yet in the province of Quebec, I think the leaders of the province are responsible. They argue that they have the right to organize lotteries in that province. Therefore let them exercise their rights, stop their kneeling and bootlicking with regard to the federal government and exert their right.

On television and over the radio, we hear competitions being announced where prizes in money are given out when a purchase is proved, and where the law is bypassed through asking and answering a question. Let the provincial government do likewise.

Let the C.B.C., which is a crown corporation, organize its own lotteries: let them select the winner, and when he presents himself, ask him who is the premier of Quebec, or the Prime Minister of Canada, or some such question, as simple to answer as those we hear on the radio. When such a question is asked, the whole thing becomes legal.

So why should the government of the province of Quebec not organize its own lottery? Let it take its responsibilities and stop crawling on all fours before the federal government. If you win and answer correctly when asked a very simple question, you are handed out $10, $20, $30 or $50,000.

Why does the government of the province of Quebec not do so? Because it has neither the energy nor the courage to act at the proper time, and prefers handing over its responsibilities to others.

Mr. Speaker, it is all very well to talk out legislation here because I am sure that if I

do not have the floor, someone else, on the Liberal side, will rise to discuss the matter now before us. I am convinced of that and besides, that is the way it always works out.

But will the government of Quebec always be the victim of such speeches going on until six o'clock? Will the government always wait for the good will of certain backbenchers who had instructions to rise and talk until six o'clock so that the question will not be put? The hon. member for Lotbinière is one of them. Some others will rise. I can assure you that if, on the Liberal side, there is no one prepared to discuss the matter, someone will nevertheless rise to carry on the debate until six o'clock and talk out the bill now before the house.

Let the government of the province of Quebec take its responsibilities in that matter, let it decide to organize its own lottery and to ask that question to evade the law as C.B.C. has been doing for years. You will see that the lottery will work out very well.

If that is the only way, under our present system, to finance hospitals and universities—

Mr. Choquette: That is sedition.

Mr. Grégoire: Mr. Speaker, the hon. member for Lotbinière says it is sedition. If that is so, the example comes from higher up, since it comes from a crown corporation, from the C.B.C.

Then, let the Quebec government take its responsibilities, organize a lottery and take the same means as the C.B.C. On a proof of purchase, you will be asked a minor question and should you give the proper answer, you will be given a prize which may amount up to $5,000, as can be seen on T.V. program "La poule aux œufs d'or".

This is the advice I am giving. I am sure that should the Quebec government apply it, the federal government would not react, simply because the C.B.C., a crown corporation, is doing that.

The hon. member for Lotbinière and other hon. members have been told for a long time that the present system is a crazy system administered by the craziest people. Well, they do not want to alter the system. They would rather vegetate. Well, if we have to live under such a system, at least let Quebec take its responsibilities in that field and establish its own lottery.

I see another member rising. Let him rise and speak until six o'clock, for if it is not he, it will be another one.

Mr. Marcel Prud'homme (St. Denis): Mr. Speaker, notwithstanding the low demagogy of the hon. members for Lapointe (Mr. Grégoire) and Joliette-L'Assomption-Montcalm (Mr. Pigeon)—and those who might be in doubt about it have only to read tomorrow's *Hansard* to realize how far the hon. member for Lapointe can go in contradicting himself in less than half an hour—I shall make a few remarks—

Mr. Grégoire: Quote one inconsistency.

Mr. Prud'homme: —and I shall remain—

Mr. Grégoire: Go ahead.

Mr. Prud'homme: —within the subject of the debate, in following the general outlines and without lingering needlessly as I said before, on the vulgar demagogy of some members.

There is no doubt that the federal government would be prepared to accept lotteries, I mean to accept the amendment to the Criminal Code.

But the hon. member for Joliette-L'Assomption-Montcalm has not yet understood, just as the hon. member for Lapointe, that this is a matter which would come under an interprovincial agreement.

In reply to the hon. member for Joliette-L'Assomption-Montcalm I would tell him that I have great confidence, for my part, in the tact and diplomacy of the Quebec premier. I am sure that during a federal-provincial conference, he would use the right arguments to convince—

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

Mr. Prud'homme: Mr. Speaker, I would rather complete my remarks, since the hon. member for Lapointe has suggested that we wished to kill the bill, I do not want to—

Mr. Grégoire: I should just like to direct a question to the hon. member so as to know whether he is reading the speech of the member for Lotbinière (Mr. Choquette)?

Mr. Prud'homme: I believe that the hon. member for Lapointe is an expert on that.

Mr. Speaker, I am convinced that, if we have not yet come to an agreement, it is because there has not been any agreement between the provinces in that respect.

I call immediately the attention of the house to Bills C-22 and C-19 which deal with lotteries. Upon consideration of those two bills, it is possible to have an idea about the personality of the hon. member for St. Mary and the hon. member for Joliette-L'Assomption-Montcalm.

Bill No. C-22 is brief, as brief as the member himself. As for Bill No. C-19, presented by the hon. member for Joliette-L'Assomption-Montcalm, it is long and complicated.

Having examined the bill carefully, I notice that the hon. member for Joliette-L'Assomption-Montcalm has forgotten only one

thing; he has failed to tell the attorney general in the various provinces where the lottery tickets should be printed. If he goes over his bill once again, he will see that this is absolutely true.

I submit, Mr. Speaker, that the amendment of the Criminal Code by the federal government without the provinces' agreement might lead to a very painful situation.

I can imagine the province of Manitoba taking advantage of such an amendment to the Criminal Code and organizing a lottery, while the government of Saskatchewan, its neighbour, would prohibit it. The Manitoba government could then sell lottery tickets in a province which does not want to take advantage of this amendment authorizing the selling of sweepstake tickets.

Can you imagine the mobilization of a national police force to prevent the sale in one province of tickets printed in another following the amendment we would have brought to the Criminal Code, because the former would not want to prevail itself of the amendment. It would be ridiculous.

Mr. Pigeon: May I ask the hon. member a question?

Mr. Prud'homme: Mr. Speaker, I have already told another hon. member that I would not answer any question of his before I am through with my remarks.

Mr. Pigeon: In the United States, New Hampshire is the only state which has established a lottery, and there has been no opposition from the other states.

Mr. Prud'homme: Mr. Speaker, as pointed out by my good friend the hon. member for Portneuf (Mr. Frenette), some people are opposed to such a bill on moral grounds, others on religious grounds. I suggest that before amending the Criminal Code—which the government is prepared to do—there should first be agreement among the provinces. That is what we understand by respecting the rights of the provinces.

The hon. member for Joliette-L'Assomption-Montcalm can be the earnest upholder of a negative autonomy, such as he has experienced during the years prior to 1960, but I say that this central government would rather consult the provinces in order to obtain their approval.

I conclude by pointing out that the present government is certainly in favour of such a project. If the provinces, at their interprovincial meeting, express that wish, you will see how promptly it will be carried out by the federal government.

Mr. Pigeon: Mr. Speaker, now that the hon. member has concluded his remarks, would he allow me a question?

Mr. Prud'homme: Certainly.

Mr. Pigeon: The hon. member for St. Denis said earlier that if the Criminal Code were amended so that one province might set up lotteries, it would be discriminatory toward the other provinces.

How is it that New Hampshire, the only American state to have a lottery, did not receive any complaints from other American states?

Mr. Prud'homme: If the hon. member for Joliette-L'Assomption-Montcalm will take the trouble to read the question he just asked, not only will he find the answer, but he will note the contradiction in it.

[*Text*]

Mr. J. E. Lloyd (Halifax): Mr. Speaker, I trust that before I finish my remarks on this bill the hon. member for Lapointe (Mr. Grégoire) will recognize that, while I agree in principle that something should be done about this problem of lotteries in Canada, I have the common sense to oppose with every justification the passage of this particular bill on the subject. During the debate the hon. and distinguished gentleman from Joliette-L'Assomption-Montcalm (Mr. Pigeon) included some gratuitous observations about the state of this government. He referred in rather extravagant terms, without any foundation whatsoever, to the fact that we in this country were heading for bankruptcy. He very smoothly passed over the deficit spending of prior years, and as is sometimes the case with narrow-minded people he was looking through a keyhole with both of his eyes. I am sure that he was not serious when he made these gratuitous additions to what was otherwise a reasoned debate in favour of an amendment to the Criminal Code to permit lottery operations.

During the course of the debate another hon. member referred to the extensive volume of dollars which are exported from Canada to other countries to purchase sweepstakes tickets. Indeed, apart from the moral question the export of Canadian dollars to other countries by this means is certainly a matter which should occupy the attention of the finance department of any government; there is no doubt about that whatsoever.

On the other side of the coin, if we permitted one province or two provinces to engage in this type of operation without general agreement that all are going to compete with each other in the field, we would be exporting dollars into those provinces from the non-participating provinces in Canada, which again would lead to difficulties.

It seems to me that the principle of this bill, which is to examine the whole question

of sweepstakes and lotteries and to find ways and means of obtaining from the Canadian people investment in such undertakings, with the reward of a higher return than might otherwise be obtained, is perfectly all right. On the other hand, before we begin to pass a bill of this kind I think we must examine the experience of other countries.

It is true that in the United States recently the state of New Hampshire passed this very controversial measure and set up a state lottery. It came into being amid a very stormy debate over the moral issue, with anxiety being expressed about possible reaction from neighbouring states and from the federal government—in some respects similar to the situation I attempted to describe a minute ago. The proceeds of this undertaking were to be used for school needs.

I think that one scheme which exploits, and for good, the desire of people to have a chance to make some extra money is that represented by the British system of lottery bonds. I think this scheme should certainly be examined by the Canadian government most carefully because it seems to me to have a great deal of merit. For example, in Great Britain bonds can be purchased, up to maximum blocks, of course. The investors do not receive any interest; instead, drawings are made and something equivalent to 4 per cent interest on the total amount of bonds sold over a specified period is distributed in the way of prizes.

ADMINISTRATION OF JUSTICE

REPORT ON ALLEGED ESPIONAGE ACTIVITIES

Hon. Paul Martin (Secretary of State for External Affairs): Would the hon. gentleman permit me to interrupt for a moment. I wonder if I could have the unanimous consent of the house to make a statement, which I would otherwise have to make outside the house. I believe the house would want me to make it here at this time.

Mr. Pigeon: We on this side agree, Mr. Speaker, if the government accepts my sweepstakes bill.

Mr. Deputy Speaker: Order. Does the house give unanimous consent?

Some hon. Members: Agreed.

Mr. Martin (Essex East): Mr. Speaker, I wish to announce that Mr. Vasily Vasilievich Tarasov, *Izvestia* correspondent in Canada, had been engaged in activities which were wholly incompatible with his status in Canada as a newspaper reporter. Mr. Tarasov's visa has been cancelled and he has been told to leave the country at once.

[Mr. Lloyd.]

Mr. Tarasov attempted to obtain classified information relating to industrial processes of importance to Canada from a Canadian government employee after carefully cultivating his friendship for nearly a year. The government employee concerned reported this matter to the Royal Canadian Mounted Police as soon as it was clear that he had been asked to engage in a highly improper enterprise in return for payment. This led to Mr. Tarasov's confrontation by the Royal Canadian Mounted Police immediately after he had accepted a number of documents.

Today the Soviet ambassador was informed of the government's action, since a correspondent of *Izvestia* was admitted to Canada as a result of pressing requests of the government of the Soviet union. Fortunately Canadian interests were not harmed because the Canadian civil servant at once reported to the Royal Canadian Mounted Police the approaches made to him by the Soviet correspondent.

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the following questions to be raised at ten o'clock this day are as follows: the hon. member for Lambton West (Mr. Foy), whether agreement has been made with the United States to build a weir or dam on the St. Clair river at Sarnia to control the level of the waters in lake Huron; the hon. member for Parry Sound-Muskoka (Mr. Aiken), experiments being conducted by the United States corps of engineers directed toward cutting down the outflow of water from lake Huron at Sarnia;

[*Translation*]

Mr. Bélanger (Charlevoix), the construction of harbour facilities at Rivière du Loup.

[*Text*]

The house will now resume the business interrupted at five o'clock.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureux in the chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

1. That for the 1964 and subsequent taxation years the deduction from income granted in respect of certain tuition fees be extended to include tuition fees paid by a taxpayer who is a student

whether or not he is a full time student, to an educational institution in Canada

(a) that is a university, college or other educational institution providing courses at a post-secondary school level,

(b) that is a school operated by or on behalf of Her Majesty in right of Canada or a province, a municipality in Canada, or a municipal or public body performing a function of government in Canada,

(c) that is a high school or secondary school providing courses leading to a secondary school certificate or diploma that is a requirement for entrance to a college or university, or

(d) that is certified by the Minister of Labour to be an educational institution by which courses are conducted that provide or improve the qualifications of a person for employment or for the carrying on of a business or profession,

if the tuition fees paid by the taxpayer for the year exceed $25.

2. That for the 1964 and subsequent taxation years a dependant in respect of whom a taxpayer may deduct an amount not exceeding $550 in computing his taxable income shall include a taxpayer's brother or sister who was 21 years of age or over and in full time attendance at a school or university.

3. That the period commencing on December 5, 1963 within which a new manufacturing or processing business must have commenced manufacturing or processing in reasonable commercial quantities in a designated area in order to obtain a certificate for the purposes of section 71A of the act be extended to March 31, 1967.

4. That for the 1964 and subsequent taxation years in determining whether 95 per cent of the assets used in a business were new and situated in a designated area, for purposes of establishing under section 71A of the act that a person was carrying on the business in a designated area, the value of the assets shall be their fair market value notwithstanding that such value may be different from their capital cost.

5. That where at a time when an area was a designated area a business has been certified to be a new manufacturing or processing business, or an application has been made in writing to the Minister of Industry by a taxpayer in respect of a business that upon the fulfilment of specified conditions would be certified to be a new manufacturing or processing business in the designated area, that area, notwithstanding that it may no longer be a designated area, shall for the purpose of the application of section 71A of the act to that particular business continue to be a designated area.

6. That for the 1962 and subsequent taxation years a taxpayer may deduct in computing income all expenditures of a current nature for scientific research carried on outside Canada that are expenditures made in the year

(a) for scientific research related to the taxpayer's business directly undertaken by or on behalf of the taxpayer, or

(b) to an approved association, university, college, research institute or other similar institution to be used for scientific research related to the taxpayer's business.

7. That for the 1964 and subsequent taxation years a taxpayer may deduct in computing income amounts expended by him in relation to an objection to an assessment or an appeal from an assessment and shall include in computing income any costs recovered in respect thereof.

8. That for the 1964 and subsequent taxation years a taxpayer may deduct in computing income an amount paid in the year or in a previous year since 1962 as a contribution to or under a registered pension fund or plan in respect of services rendered by him in past years while he was a contributor even if he also deducts an amount as a contribution in respect of services rendered by him in past years while he was not a contributor, but the maximum amount deductible in a year in respect of past services while he was a contributor shall not exceed $1,500 minus the aggregate of the amounts deducted in the year in respect of services rendered by him in the year and in respect of services rendered by him previous to the year while he was not a contributor.

9. That for the 1964 and subsequent taxation years the period of 60 days from the end of a year within which an employer may pay an amount to or under a registered pension fund or plan in respect of services rendered by his employees be increased to 120 days.

10. That for the 1964 and subsequent taxation years it be made clear that any amount received by an employer upon the winding up or reorganization of a pension fund or plan shall be included in his income.

11. That for the 1964 and subsequent taxation years subsection (3) of section 12 of the act, which provides rules concerning an outlay or expense payable by a taxpayer to a person with whom he was not dealing at arm's length, be amended so that a taxpayer who at the end of his taxation year has a liability that

(a) arose in respect of a non-arm's length transaction,

(b) was deductible in computing his income, and

(c) has been outstanding for two years following the end of the taxation year in which it accrued

must include in income for the third year after it accrued an amount equal to the liability, unless the debtor and creditor sign and file an agreement in which they elect to have their taxes computed as though the debt had been paid and replaced by a loan on the first day of that third year.

12. That the 20 per cent rate of tax payable by a non-resident person on dividends paid or credited to him after 1964 by a corporation resident in Canada that does not have a degree of Canadian ownership be reduced to 15 per cent, and that in consequence thereof:

(a) Part IID of the act imposing a tax equal to 5 per cent of certain dividends paid by a corporation that does not have a degree of Canadian ownership be repealed;

(b) the 20 per cent rate of tax imposed by Part IIIA of the act on income earned after 1964 by a non-resident corporation carrying on business in Canada be reduced to 15 per cent; and

(c) the 20 per cent rate of tax imposed on the taxable income earned after 1964 by a non-resident-owned investment corporation be reduced to 15 per cent.

13. That for the 1964 and subsequent taxation years, where a taxpayer has disposed of his interest in a partnership, such part of the consideration as is reasonable in the circumstances shall be deemed to be proceeds of disposition of depreciable property of the taxpayer used in the partnership business.

14. That for the 1964 taxation year the amount deductible in computing taxable income in respect of a dependant child who was over 15 and under 18 years of age at the end of the year shall not exceed $470 if an allowance was paid under the Family Allowances Act in respect of the child for any month after the month in which he attained the age of 16 years.

15. That for the 1965 and subsequent taxation years, a child shall be regarded as a child qualified for family allowance for any year at the end of which he was over 15 and under 18 years of age,

if an allowance under the Family Allowances Act was paid in the year in respect of that child after the month in which he attained the age of 16 years.

16. That with regard to the definition of degree of Canadian ownership in section 139A of the said Act, the said measure provide as follows:

"(1) Subparagraph (ii) of paragraph (a) of subsection (1) of section 139A of the said Act is repealed and the following substituted therefor:

"(ii) either

(A) not less than 25 per cent of the issued and outstanding shares of the corporation having full voting rights under all circumstances were owned by one or more individuals resident in Canada, one or more corporation controlled in Canada or a combination thereof, and equity shares representing in the aggregate not less than 25 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation were owned by one or more individuals resident in Canada, one or more corporations controlled in Canada, or a combination thereof, or

(B) a class or classes of shares of the corporation having full voting rights under all circumstances were listed on a prescribed stock exchange in Canada, and it is established in prescribed manner that no one non-resident person and no one corporation that did not comply with clause (A) of this subparagraph owned more than 75 per cent of the issued and outstanding shares of the corporation having full voting rights under all circumstances, alone or in combination with any other person related to such non-resident person or such corporation at any time within the period within the meaning of subsection (5a) or (5b) of section 139, and a class or classes of equity shares of the corporation representing in the aggregate not less than 50 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation were listed on a prescribed stock exchange in Canada, and it is established in prescribed manner that no one non-resident person and no one corporation that did not comply with clause (A) of this subparagraph owned equity shares representing in the aggregate more than 75 per cent of that part of the paid up capital of the corporation that was represented by all the issued and outstanding equity shares of the corporation, alone or in combination with any other person related to such non-resident person or such corporation at any time within the period within the meaning of subsection (5a) or (5b) of section 139, and"

(2) Subsection (1) of section 139A of the said act is further amended by striking out the word "or" at the end of paragraph (a) thereof, by repealing paragraph (b) thereof and by substituting therefor the following paragraphs:

"(b) the corporation complied with the conditions specified in subparagraphs (i) and (iii) of paragraph (a) and was a subsidiary wholly-owned corporation subsidiary to a corporation that throughout the sixty-day period complied with the conditions specified in paragraph (a) or (c); or

(c) the corporation complied with the conditions specified in subparagraphs (i) and (iii) of paragraph (a) and was a subsidiary controlled corporation

(i) having issued and outstanding equity shares none of which were owned by a person other than

(A) the corporation to which it was subsidiary,

(B) a non-resident person not related to the corporation to which it was subsidiary,

(C) an individual resident in Canada, or

(D) a corporation controlled in Canada, and

[Mr. Deputy Speaker.]

(ii) subsidiary to a corporation that throughout the sixty-day period complied with the conditions specified in paragraph (a) or (b)."

(3) Paragraphs (a) and (b) of subsection (2) of section 139A of the said act are repealed and the following substituted therefor:

"(a) a corporation that has share capital is not controlled in Canada at a particular time unless at that time the corporation is resident in Canada, and more than 50 per cent of its issued and outstanding shares having full voting rights under all circumstances, and shares representing in the aggregate more than 50 per cent of its paid up capital are owned by

(i) individuals resident in Canada,

(ii) corporations resident in Canada with respect to each of which

(A) more than 50 per cent of the issued shares having full voting rights under all circumstances, and

(B) shares representing in the aggregate more than 50 per cent of the paid up capital

are owned by individuals resident in Canada, or

(iii) any combination of individuals or corporations described in subparagraph (i) or (ii);

(b) where

(i) a non-resident person,

(ii) a corporation that does not have a degree of Canadian ownership, or

(iii) a corporation that is related to a non-resident person within the meaning of subsection (5a) or (5b) of section 139

has a right under a contract in equity or otherwise either immediately or in the future and either absolutely or contingently, to, or to acquire, equity shares in a corporation, those shares shall

(iv) unless the right is contingent upon an event that it is not reasonable to expect to occur within a reasonable time, or

(v) unless the right is such that a reasonable man concerned only with the value of the shares would not exercise it.

be deemed

(vi) to be owned by the person who has the right.

(vii) to be owned by a non-resident person, where the person who has the right is a corporation described in subparagraph (ii) or (iii), and

(viii) where the shares are unissued,

(A) to be issued and outstanding, and

(B) to have a paid-up capital value, with respect to each share, equal to

1. the par value, where the shares have a par value,

2. the amount that would be paid with respect to each share to exercise the right under the terms of the contract, where the shares have no par value and an amount is specified in the contract, or

3. the market value at the end of the relevant sixty-day period of a share of the class of shares of that corporation that is most closely similar to that share, where the shares have no par value and no amount is specified in the contract,

and any other person who actually owns the shares in respect of which that right exists shall be deemed not to own those shares."

(4) Subsection (2) of section 139A of the said act is further amended by striking out the word "and" at the end of paragraph (c) thereof and by adding thereto the following paragraphs:

"(e) "equity share" means

(i) a share, the owner of which has, as owner thereof, a right

(A) to a dividend, and

(B) to a part of the surplus of the corporation after repayment of capital, upon the redemption of the share, a reduction of the capital of the corporation or the winding-up of the corporation,

as great as the right of the owner of any other share of the corporation, when the magnitude of the right in each case is expressed as a rate based on the paid-up capital value of the share to which the right relates, and

(ii) a share, the owner of which has, as owner thereof, a right

(A) to a dividend, after a dividend at a rate not in excess of 8 per cent per annum has been paid to the owners of shares of a class other than the class to which that share belongs, and

(B) to a part of the surplus of the corporation after repayment of capital, upon the redemption of the share, a reduction of the capital of the corporation or the winding-up of the corporation, after a payment of a part of the surplus at a rate not in excess of 10 per cent has been made to the owners of shares of a class other than the class to which that share belongs,

as great as the right of the owner of any other share of the corporation, when the magnitude of the right in each case is expressed as a rate based on the paid-up capital value of the share to which the right relates; and

(f) "paid-up capital value" with reference to a share, means

(i) in the case of an unissued share that is deemed by paragraph (b) to be issued and outstanding, the amount determined under clause (B) of subparagraph (viii) of that paragraph, and

(ii) in any other case, an amount equal to the paid-up capital of the corporation that is represented by the shares of the class to which that share belongs divided by the number of shares of that class that are in fact issued and oustanding."

(5) In the case of a taxation year commencing before January 1, 1965, of a corporation that would have had a degree of Canadian ownership in the 1964 taxation year if section 139A of the said act had not been amended by this act, that portion of subsection (1) of section 139A of the said act, as amended by this act, that precedes paragraph (a) thereof shall, if the corporation elects in prescribed manner before January 1, 1965, be read as follows:

"139A. (1) For the purposes of this act, a corporation has a degree of Canadian ownership in a taxation year if throughout any sixty day period commencing after March 16, 1964 and ending before January 1, 1965"

(6) This section is applicable to the 1964 and subsequent taxation years."

and for the purpose of determining whether a corporation had a degree of Canadian ownership for the purposes of paragraph (b) of subsection (1a) of section 106 of the said act, section 139A of the said act shall

(a) in relation to any dividend declared on or before March 16, 1964 be read as if it had not been amended by the said measure, and

(b) in relation to any dividend declared after March 16, 1964 be read as amended by the said measure.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Has the committee completed consideration of paragraph 12?

Mr. Grafftey: Mr. Chairman, I should like to speak to paragraph 12 very briefly. I think many of the initial remarks made by the Minister of Finance during his budget address in relation to the changes he proposes to bring about in the withholding tax were most plausible but, without adopting any holier than thou attitude, I think most of us recognize that if the minister had consulted his departmental officials over a year ago with regard to the proposals he introduced in his first budget he would not have found it necessary to propose the amendment in paragraph 12 that confronts hon. members at the present time. In fact, I feel that the approach of the minister and the government to the problem of the withholding tax has initially been a negative one.

While hon. members of all parties in the house recognize that the Canadian people and the Canadian economy are faced with a real problem, in that many of our secondary and primary industries are controlled by forces outside of the country, and are familiar with the problem in its basic form, I think we in Canada also recognize that at this time we need outside capital to develop our country. If we were able to go back to 1867 and live our economic lives over again I am not so sure we would not profit from some of the experiences we have had, but the objective economic facts are that at this time in 1964 we need capital from outside to develop our resources.

I am not one of those who want to hang the blame on the minister all the time, but certainly the fact is that the approach of the minister and the government to the problem of the withholding tax has been a negative one which has been damaging to Canada from the point of view of dealing with the problem of outside control of our resources. Indeed, it has been most damaging for Canada when we consider that we must have foreign capital to develop our resources.

I should like to state most emphatically that I hope the minister and the government will take a positive attitude from now on in relation to the problem of investment in and control of the economic resources of Canada. I hope that as soon as possible the government will implement those recommendations in the report of the royal commission on banking and finance which will encourage more Canadians and Canadian institutions to invest in both primary and secondary industries within Canada's economy.

I am not going to take the time of the committee by putting forward too much data, but I have always been one of those who have felt that far too many Canadians are keeping their money in a sock. This being so, rather than penalizing investors from outside of Canada who want to invest in our future because they really believe that Canada has

a bright economic future, I believe it is the responsibility of the minister in particular and the government in general not to engage in tinkering and wasting the time of the house and the country by experimenting—I am sure the minister would be the first to admit that the experiment has been an unhappy one—but rather to devote their thinking to implementing those measures which will encourage Canadians and Canadian institutions to invest in Canadian enterprises.

I should simply like to say that I do not believe the government alone can do this, but rather the government in co-operation with our stock exchanges and stock commissions will have to devise ways and means of encouraging not only those people in the high income brackets to invest in the Canadian economy but also those Canadians in the population generally who I believe have savings that can be devoted to this end. Again I repeat the proposition that I think far too many of our people, because of hidebound tradition, are keeping their money in a great big sock, and I think it is time that the minister and the government took positive measures to do something about this situation. These positive measures should be measures of the government's choice, and the positive measures that are to be found in the report of the royal commission on banking and finance, such as permitting broader scope for the investment of moneys to be found in pension funds and the like.

I do not know how much time it is going to take for the government to do these things but I think there is an immediate need for the government to do some serious thinking about policing stock transactions and the introduction of rules and regulations such as the rules and regulations of the securities and exchange commission in the United States. In sum and substance I am simply attempting to urge the minister to get away from the negative attitude which seems to have characterized the government in relation to its tinkering with the withholding tax and to adopt a positive attitude. I am sure that the opposition, realizing that this problem is much more important than party considerations, will support any government that forgets past activities and lets foreign investors know that their capital is welcome in Canada. I know we are living in difficult times and both the government of the day and the former government may have made particular and general mistakes which unfortunately may have had the result of discouraging foreign investors from coming into Canada.

Let us all regard this as a bipartisan proposition. Let the people outside of Canada know that their capital is welcome in Canada and that we need it. Let the minister and the government—I repeat this because it is something that needs repeating time and time again—try to encourage Canadians to take this money out of the sock and invest it in good Canadian securities.

Mr. Otto: If we may continue in that very reasonable vein the hon. member just started in this discussion, I wonder if we can get down to some very basic facts? The first one is that we have been in the habit of legislating for angels only to find that mortals inhabit this earth. We seem to be greatly shocked and surprised when we find that people behave like human beings. We have known for some time that more and more Canadian industry, Canadian mining and power are held by foreign investors. This is a situation which we realize now and for which we want an instant solution. Of course, there is no instant solution.

We talk about investment, but just what is the purpose of paragraph 12? I believe we are trying to repatriate the investment in Canadian companies. What we are really talking about is an element of risk. What we are saying is, if you put a little money into a new venture, 20 per cent of the people will lose and 80 per cent will make a fantastic amount. We know that in years gone by billions of dollars in profit have gone to people in the United States or Europe. We do not have this money. We must recognize that this is a gamble and that we are asking Canadians to invest.

If we may generalize for a moment we may say that the Canadian is very kind, considerate, and brave. He is a person who will never hurt your feelings. As hon. gentlemen here know, it is very difficult to find anyone who will admit a political affiliation because he may hurt your feelings. We are considerate and kind people, but we are also very apprehensive. We do not gamble. We are, therefore, going to require some incentive if we are going to gamble.

The second point I wish to mention is that the hon. member who has resumed his seat said Canadians have a lot of money. We do have a lot of money. I believe the minister will acknowledge that there is somewhere in the vicinity of $14 billion in savings in this country. We do not know how much money is hidden away in the socks of the Canadian people. If we can judge from the reports of the Brockville robbery, the safety deposit boxes of this country probably contain another $10 billion which is not being used. Possibly we have more in savings in this country for every man, woman and child than anywhere else. However, this is not the kind of money you gamble. This is money which

you scrimped to save and which was difficult to acquire. You do not play the market or gamble with this money. Most businessmen will acknowledge that the money with which people gamble or invest is the easy money, that is the money returned in the form of dividends or profits which people did not expect or which amounted to more than they expected. This is the kind of money that has not remained in this country.

I believe the minister has acknowledged the problem and tried to approach it in a reasonable way. We will have to provide an incentive if we are to find a solution to this problem. We have to consider that the Canadian is apprehensive. We will find it will be a great help in this problem when the Canadian is satisfied he will not starve in his old age. It will be a help when he realizes he has a good pension plan, good medical care and a good unemployment insurance scheme. This will remove that fear of what is going to happen in his old age. Even then, we are not going to get a bunch of Canadian investors.

I dare say you could have the stock market floor covered with shares and even then Canadians are not going to pick them up. We are not shares buyers. A program of education will have to be introduced, therefore, to let Canadians know what we are talking about when we urge them to invest in equity shares. We have to clean up the stock market. I think the minister will acknowledge, as will most members who have had any business dealings, that about 40 per cent of the equity money collected by a company is used in promotional sales. In so far as mining companies are concerned, this may amount to 80 per cent or 90 per cent. We cannot afford these promotional costs. There should be legislation governing this, perhaps by having all companies public companies, or some other method of controlling promotional sales.

I doubt if even this will induce Canadians to invest in shares because Canadians like the kind of risk that is 100 per cent sure. It is a curious thing that when we want Canadians to invest in equity shares we pass legislation which helps the Canadians put all their money in bricks and mortar. I am referring to Central Mortgage and Housing Corporation. We do have legislation which invites Canadians to put money in mortgages. Surely, if our problem is connected with the share structure of companies, our real problem is specifically who is entitled to the dividends? We want the dividend money to stay here so it will be reinvested. So far as control of the company is concerned, that makes very little difference. Business is in business to make money, and will invest money in the manner that is most profitable to business. It is true that in some instances United States companies do control Canadian subsidiaries in a way that interferes with these companies doing business in Canada. However, our main problem is to get the money from dividends to stay in Canada. Surely, there should be some thought given to legislation similar to the National Housing Act by which approved stock—

The Chairman: Order; I am sorry I have to interrupt the hon. member, but I am wondering if at this time he is not getting away from paragraph 12 to a very substantial degree.

Mr. Pigeon: Mr. Chairman, we do not think so.

The Chairman: Well, the Chair is expressing an opinion. At this point may I say that I have tried to be as lenient as possible in the course of this discussion. Perhaps the hon. member would resume his seat for a moment. We must recognize the rules of the committee which require that discussion in committee should be strictly relevant to the item under study. We have been considering paragraph 12 of this resolution, and it has nothing to do, so far as I can see, with the National Housing Act or several other things which have just been mentioned by the hon. member for York East.

Mr. Pigeon: We are ready to give unanimous consent to allow the hon. member to continue.

Mr. Otto: With all due respect, Mr. Chairman, I was commenting on how legislation had been passed in other fields and yet we did not legislate in the same way in connection with the ownership of shares. Now, just to carry on, surely we could find a method of insuring shares, losses of shares, which would help and which would have some effect on Canadian investors. In another way possibly tax incentives, losses sustained in share purchase or sale, could be applied against profits and earnings; but an individual purchaser cannot do these things.

I have a great admiration for the minister. If you will recall, some time ago I said he was one of the reform ministers, and I believe he is. His ideas are very good, but I would like to think that certain thoughts are good in other fields other than the penalty section. I do not think penalties are going to do very much at all. We need someone to buy the shares if we expect the people who own them outside this country to sell them to us.

Mr. Gordon: Mr. Chairman, if I might say a word or two about paragraph 12, this paragraph proposes that the 20 per cent rate of withholding tax on dividends paid after December 31, 1964, by a company that does

not have a degree of Canadian ownership, be reduced to 15 per cent. This will leave a rate of 15 per cent on dividends paid by companies that do not have a degree of Canadian ownership, and a rate of 10 per cent on Canadian companies that have a degree of Canadian ownership.

The purpose of subclause (a) is that the special tax of 5 per cent on increased dividends paid in the period between June 13, 1963 and January 1, 1965, by a company that does not have a degree of Canadian ownership, be repealed. This special tax was necessary to cover increased dividends paid before 1965 in anticipation of the 20 per cent rate scheduled to become payable on dividends after 1964. If there is not to be a rate of 20 per cent of dividends, this special tax is not necessary. We propose to repeal this tax with effect from the date of its enactment in 1963.

Consequential amendment (b) proposes that the increase from 15 per cent to 20 per cent in the tax on branch profits in Canada of non-resident companies shall not come into effect. The 1963 legislation provided for such an increase in tax after 1964, so that the tax on branches in Canada of non-resident companies would conform with the rate on dividends paid by companies that have not a degree of Canadian ownership.

Consequential amendment (c) proposes that the increase from 15 per cent to 20 per cent in the rate of tax on non-resident owned investment corporations, scheduled for 1964, shall not come into effect. If the rate of tax paid by companies without a degree of Canadian ownership had been increased to 20 per cent, it would have been necessary to impose the same rate of tax on the special kind of companies known as non-resident owned investment companies.

I presume from the tenor of the remarks so far that these changes will command the respect and the acceptance of all hon. members of the committee.

Mr. Nowlan: I can assure the Minister of Finance that these amendments will command the respect, attention and approbation of the official opposition because we have been urging them for the last year and we are very glad to see the minister is bringing them in now. I must say that I agree very much with what the hon. member for York East had to say in his comments about penalties themselves not being sufficient to accomplish the ends the minister has in mind.

Whatever we may think of the desirability. from the philosophical point, of the idea he has, as the hon. member for Brome-Missisquoi said a few moments ago if we were starting out to negotiate confederation all over again, and if the minister happened to be minister of finance, we could have accomplished something that we may have missed in the intervening years.

Mr. Gordon: I wasn't there then.

Mr. Nowlan: If the minister were there then we would not have the pleasure of having him here in front of us now. We are very glad he was not there because—and of course I would not say this myself—if he did not do better then than he did in his first budget, we would not have a Canadian parliament here at this time.

I am not going to repeat what has been said before. I think the best object lesson we have had was the speech given the other day by Mr. Ball, the United States under secretary of state. I suggested to the minister a year ago that in my opinion it was obviously necessary—and this the minister admitted—to get a treaty through the United States senate, to renegotiate a treaty if we were going to accomplish what he had in mind; and with the pressure on the United States senate, an election year being in the offing, and with the important legislation it had in front of it, it would be impossible for that body to renegotiate a treaty this year.

When you get the state under secretary in the United States making a speech such as he did on Saturday, attacking this policy hip and thigh, in shall we say polite but stern terms—I have forgotten how the minister described it—you can imagine what hope there would be of the United States senate passing such legislation this year.

The minister has said that the tax reductions in the United States have enabled him to retreat from the position he took when he brought this measure in a year ago. He is fortunate to have some justification for his retreat, but I do not think that is at all the material one. The material one is that he could not have got the legislation through and, if there had not been a tax treaty renegotiated, we would have been faced with a 30 per cent withholding tax on Canadian corporations in the United States, and this would be an absolutely impossible situation.

It is a very good thing that the minister has withdrawn from that position and that we are going back to the 15 per cent. The club has been withdrawn and there is now this small carrot held out. There should be more carrots. There should be a more positive approach. Obviously the banking commission, which reported the other day, felt that way, and there have been various briefs presented to it by the bankers' associations, making recommendations to deal with estate tax and other matters by which this end could be accomplished. We are well away from this legislation on which we embarked,

and from the clubs inherent in it in dealing with investment from outside.

There has been a great deal of controversy as to how much the investment of funds has dried up in this country. I know there are various aspects to that. I know the equalization tax in the United States played an important part, as well as the minister's first budget. I am not sure how far he can go in trying to delimit which had the greater effect, but I hope when the bill is before the house that he will be able to give us more information on that score. As it is, I am simply saying that we of the opposition appreciate the fact that this legislation is being amended, and this move certainly has our full hearted support.

Mr. Douglas: The minister has said that apparently the provisions of paragraph 12 commend themselves to the committee. Lest silence appear to give consent, I want to express very briefly my point of view on this paragraph. Last year when the minister presented his budget he very properly expressed great concern about the growing control of the Canadian economy by foreign investors and he proposed some measures to rectify this situation. I do not think the measures he proposed at that time were very far reaching or likely to be effective, but at least they were a timid move in the right direction. I wish to express my regret that the minister has now completely retreated from the position he took last year and that he has not so far suggested any positive means of coping with the serious problem of the extensive control of the Canadian economy by foreign investors, particularly by the tremendous United States corporations.

I think it goes much further than this question of the withholding tax. When one finds under secretary George W. Ball, in the speech he made at Harrington, New York, warning the Canadian government that a very dim view will be taken of measures designed to make a change in the character of investment from equity to debt, it seems to me a serious point has been reached. If we are to get out of the dilemma in which we find ourselves there must, in my view, be a gradual change from equity control to loan capital and if Mr. Ball's words imply a warning to the Canadian government that any attempt to transfer indebtedness from an equity position to a loan capital position means there will be restrictions or retaliations, then, indeed, we have become an economic satellite and not a nation at all. While I do not intend to fight for the retention of these trifling provisions which are designed to move some of the indebtedness from an equity position to a debt position, I think this is symptomatic of the fact that the Canadian government is now in retreat as far as any serious attempt to grapple with the problem of foreign control is concerned.

If the minister were simply removing these minor provisions in order to introduce some constructive and dynamic program, I would agree these would be no loss. But I see no signs of any such proposal. We in this party have a number of proposals which we have put forward from time to time and which I should like to make again. However, I am sure Your Honour would not permit me to discuss them under this paragraph and I therefore do not intend to seek to do so. But I think I should say to the minister that we are disappointed the government has apparently completely capitulated on this question of attempting to deal with foreign control of our economy; and in the absence of any proposals in the minister's budget speech and in the absence of any announced legislation, we can only assume that the government is giving up the battle after a very small and feeble effort.

Mr. Lloyd: Some brief references have been made to the royal commission on banking, and the previous speaker for the opposition observed that perhaps now was not the time to look back; that we should look ahead and recognize mistakes. The royal commission report made it clear that in its judgment there may have been mistakes on the part of the present administration as well as past administrations, and I think it might help us if we were to remember that the royal commission declared that it rejected the use of direct controls on international capital flows as disrupting to the efficient working of economic incentives and as having harmful long term effects. Then the report went on:

> The country will no doubt continue to draw in resources from abroad at some times but on balance the economy need not be a large net user of foreign funds if soundly managed at home.

In this connection, the report points out that much of the capital inflow from 1958 to 1961 stemmed from inappropriate domestic credit policies.

Perhaps I might turn now to the observations made by the previous speaker. The leader of the New Democratic party spoke of the need for a challenging and positive program. Anybody who has been associated with the advanced training of young Canadians in commerce and law over the last two decades will readily recognize that there has been a tremendous improvement in management skills among Canadians during that period. Any legislation which draws attention to the fact that foreign investors may obtain important advantages by making use of these skills will prove worth while both to ourselves and to the companies concerned. If

those companies, in addition to taking advantage of Canadian skills, adjust their policies so as to be more in line with Canadian objectives, not only would their capital yield more, but the legislation under debate, instead of constituting a deterrent will constitute in my judgment both an incentive and an advantage.

[*Translation*]

Mr. Caouette: Mr. Chairman, I am of the opinion that this paragraph 12 will change the present situation very little and will not contribute anything towards creating a single new industry in Canada.

In this regard, I completely support the remarks made by the hon. member for Burnaby-Coquitlam (Mr. Douglas) to the effect that it is urgent for the government to take positive action and to make a forceful gesture in order to favour an economy controlled by Canadians.

In paragraph 12, we read the following:

> That the 20 per cent rate of tax payable by a non-resident person... be reduced to 15 per cent, and that in consequence thereof:
> (a) Part IID of the act imposing a tax equal to 5 per cent of certain dividends paid by a corporation that does not have a degree of Canadian ownership be repealed;

On the one hand, the 5 per cent exemption is reduced and, on the other, the 5 per cent tax now payable is removed. This means that we are running around in a circle with this paragraph 12, or this amendment to the Income Tax Act.

It was suggested a while ago that Canadians who have money or securities hidden away in wool stockings, etc., should be encouraged to take a gamble in order to help our secondary industries. We agree. However, it is not with the money hidden away nowadays in wool stockings that new secondary industries will be set up in Canada. Government action is absolutely necessary. The government must take its responsibilities. To suggest such solutions will not prevent Americans from continuing their control of the whole economy of the country. The government must assume its responsibilities, not in the face of the American people or the other peoples of the world, but in the face of Canadians themselves who are ready to work for the development of the natural resources of their country.

To that end, the government's co-operation is imperative. We have the necessary physical means in Canada, we have the talents, we have the brains, we have everything that is necessary to develop our natural resources and to turn them to the advantage of the whole population. The only element we do not have is credit, to finance the launching of an economic development program. The Minister of Finance does not make such a suggestion. He forgets his responsibilities in that respect. He tries to make the Canadian people believe that a 5 per cent tax increase, levied on American companies will prevent Americans from continuing to exercise their control in Canada; but this will not allow Canadians to control their own economy.

Mr. Chairman, that clause was discussed earlier this afternoon and we have not made much progress. We are at a standstill. The Minister of Finance will not change his opinion or his attitude. Nevertheless, he should know that only concrete action will enable us to establish in our country an economic balance, the majority of which would be controlled by our fellow citizens. Then, secondary industries will pop up all over the country.

Some of our citizens have inventions to offer, things to present to the country which could be useful to the general welfare of our people.

The government listens but with half an ear.

It seems to me that we must regain our sense of responsibility; we must get back within the bounds of logic and common sense; we must stop erecting or spreading smoke screens before the public eye on the pretence that the government is helping greatly the Canadian people by imposing a 5 per cent tax on American companies operating businesses in Canada. In my opinion, it is to laugh in our people's face, to consider them as ignorant people who know nothing of what is happening in their country and who believe that the Minister of Finance actually is assisting them in gratifying a little less the American people, while still leaving to them the control of our Canadian economy, as they have it at the present time.

If we want to keep and help our Canadian industries, the Minister of Finance only has to ask the industrial expansion bank to provide an amount of credit proportionate to our physical capability of setting up secondary industries which, in turn, will create jobs and increase our national production. Then, it would no longer be necessary to deal with odd questions like the one covered by paragraph 12 of this amendment to the Income Tax Act.

[*Text*]

Paragraph agreed to.

On paragraph 13.

Mr. Nowlan: Mr. Chairman, I think the minister spoke about this matter the other day. This is a question concerning the sale of a partnership, to provide a basis for capital

cost allowance. Would the minister like to say something on this paragraph?

Mr. Gordon: Mr. Chairman, this paragraph proposes that where a partner sells his interest, the appropriate part of the amount he receives as the selling price shall be deemed to be received on account of the disposition of depreciable property. This will make it possible to recapture depreciation which the partners claimed in recent years, or to allow a terminal loss in respect of the depreciable property, depending upon the circumstances.

It is just as if a corporation sells some depreciable assets at a profit. The amount of capital cost allowance that it has claimed in earlier years is recouped by the crown as a charge against the corporation's profits, and this provision is intended to apply the same principle when a partner retires.

Paragraph agreed to.

On paragraph 14.

Mr. Nowlan: On paragraph 14, Mr. Chairman, I think there is raised a question which the minister should explain carefully to the committee at this time. This is the paragraph which provides that family allowances will be paid in respect of children who otherwise would not be qualified; that is, children over the age of 16. The parents of such children will receive for this year a deduction of $470. Ordinarily, if they were dependants and not in receipt of family allowance, they would receive a deduction from income of $550. If they were in receipt of family allowance for the year, they would only receive a deduction of $300, I think.

In this case I think the minister is splitting the difference, shall we say, and assuming that the legislation will not come into effect until some time this year, possibly not until next fall; therefore they will receive $470 and then, presumably, the family allowance for the balance of the year. That raises the question of the payment of family allowances under this paragraph and the deductibility therefrom. The whole field has yet to be dealt with, I quite appreciate that; but this is a situation which should be clarified now as far as the minister is concerned.

As I understand it from newspaper reports and, I think, from the statement of the Prime Minister as well, and possibly from the statement of the Minister of Finance—I am not sure about that—the situation is as follows. The Prime Minister spoke on this when dealing with the arrangements that were made between the province of Quebec and the government of Canada and said that the province of Quebec had, of course, been paying for some years an educational grant to children over the family allowance age. I think the province certainly deserves a great deal of commendation for so doing. It has been an educational grant for those who stayed in school and has been paid out of provincial revenues. Now we are going to pay family allowance in respect of all children who remain in school over the ages of 16 and 17. But in the province of Quebec, this being an educational grant, as I gather from what the Prime Minister said the other day, the province will continue to make that payment in respect of the children and there will be an abatement from the federal treasury to the province of the amount, roughly, that has been paid to the parents of the children in Quebec. In Ontario and the rest of Canada the family allowance will be paid.

It may be—and this is a situation which I think the minister should clarify now—that a parent living on the other side of the river here with one dependant 16 years of age will be receiving $10 a month from the province of Quebec in respect of this educational grant and at the same time will be receiving the deduction in so far as the dependant is concerned, because he will not be receiving family allowance. On the other hand, with regard to the parent living on this side of the river and receiving a family allowance, the dependancy will only result in a deduction of $300 a year instead of $550. That is an anomalous situation which has caused some discussion in the press and elsewhere in Canada. Therefore I think that with regard to this paragraph the minister should clarify the situation as it will be when the legislation is completed.

Mr. Gordon: Mr. Chairman, this particular paragraph of the resolution, as the hon. member for Digby-Annapolis-Kings pointed out, deals only with the difference between the $550 that is normally allowed for a dependant and the $300 that is allowed for a dependant in respect of whom family allowance is being paid to the parents for a period. The difference between those two amounts is $250. It is expected that these payments will apply for the months of September to December, inclusive, this year—that is to say, four months—and a third of $250 is roughly $80. This explains why the figure is $470.

In the application of this new proposal to the province of Quebec certain difficulties arose. As the hon. member pointed out, the province of Quebec has been paying an educational grant for some years. This went back either to 1960, or it began in 1961. In the case of the province of Quebec the amounts are paid to the children, or in the right of the children, rather than to the parents. Because of this, and because I suppose it was a payment by a provincial government, there has been no change in the

income tax deductions allowable to the parents. They are not reduced because the payments are made, as I say, to the children.

I would remind the members of this committee that under the Quebec plan this educational grant applies for ten months only, not for 12, so the payment in respect of a 16 or 17 year old child to continue at school amounts to $100 a year. Under the proposed federal plan which will be presented to the house as soon as the legislation has been drafted the amount will be $10 a month and will apply for 12 months, and it will be paid, as are the family allowances, to the parents. I suppose that theoretically the federal plan could apply to everyone in Canada, but in that case the additional $10 per month per child in the case of Quebec would be superimposed upon an existing plan under which the province is already paying $10 per month by way of educational grants. I think most people would agree that although it would be nice for the people of Quebec to get it twice, it would not be a reasonable thing to do.

The government of the province of Quebec has pointed out that they have a plan which has been in existence for three or four years. It has been well accepted. It meets their requirements and understandably they do not wish to change it. On the other hand, in extending the principle of family allowances the federal government certainly would not wish to pay something which could be interpreted as an educational grant. After all, there are certain sensitivities in these matters as well as certain constitutional rights and responsibilities, and I not think that the members of this committee would agree that this would be a wise course for the federal government to embark upon. And, of course, the federal government has no intention of doing so.

Therefore, the problem has been to find a workable and reasonable compromise. It is proposed—and I am now answering my hon. friend's question, although this will doubtless be discussed again when the legislation is before the house—that an amount be paid to the province of Quebec which will be calculated at the net amount which would have been paid in respect of children remaining at school in the province of Quebec, less the reduction in the allowances in the rest of the country in the case of parents in the higher income brackets. This deduction is quite substantial and this is the proposal which will be presented to the house when this legislation is ready for consideration.

Mr. Ricard: Mr. Chairman, I would not want to let this occasion go by without rectifying one statement made by the minister. In his remarks he said that allowances were paid to the children, which is not the case. In fact, they are paid directly to the mother of the child.

Mr. Gordon: May I just correct that. They are paid in the right of the children; but the children are a little young so probably the money goes to the mother.

[*Translation*]

Mr. Pigeon: Only a few short remarks, Mr. Chairman.

When Mr. Lesage was a federal minister, he never considered as an interference by the federal government in the field of education the fact that this government paid family allowances to children of a certain age and to those who are still studying. That is why I am surprised that Mr. Lesage objects to the decision of the federal government to grant a further amount and extend the period during which family allowances are paid.

I understand that the Quebec government pays family allowances to children at a more advanced age than the federal government but, in my opinion, the basic reason why Mr. Lesage objects to an extension of those family allowances by the federal government, is not so much because provincial autonomy is jeopardized, but because the provincial government is already paying a school allowance, and Mr. Lesage prefers to get those sums of money back and use them for other purposes.

Consequently, I believe that it would be more normal for Mr. Lesage to receive those sums of money and to give them to children who continue their studies.

That is my personal opinion.

[*Text*]

Mr. Gordon: Perhaps I might just clear up any misunderstanding on this last point. As I said earlier, there was some discussion as to whether the very fortunate children—or perhaps the very fortunate mothers—of the province of Quebec should get two $10 per month payments, one from the province and one from the federal government.

Mr. Rondeau: What is wrong with that?

Mr. Gordon: Well, that is a very natural comment and I can quite understand it. I dare say that that is a comment which would be made by many of the mothers in the province of Quebec. However, I would remind my hon. friend that payments are made to the mothers and not to the fathers. The fact is that there are those who feel there are a lot of demands which are made upon the relatively meagre resources of governments, both federal and provincial, and that this problem having been looked after in the

province of Quebec in 1960 or 1961 it would not make sense to duplicate it. It was for that reason and because their plan has been in existence for some time and is working well—and no one wants to abandon a plan which has been successful—that it is proposed to handle the matter in the way I have described.

[*Translation*]

Mr. Pigeon: Mr. Chairman, what I meant is that Mr. Lesage reminds me of a magician.

The federal government wants to pass that legislation, vote those sums of money which in the other provinces, will normally be going to the children attending school, whereas Mr. Lesage will get that money and will be able to do what he pleases with it. In other words, the money he will receive from the federal government will not go to the children of Quebec still attending school. He will be able to do what he pleases with it.

Everyone knows that Mr. Lesage once was a cabinet minister in Ottawa and that he is now premier of Quebec. I feel that his attitude has changed completely; he is not the same man, in short, he does not have the same political conscience. That is what I wanted to draw to the attention of the house.

I understand why Mr. Lesage so rightly objects to the federal government's intrusion in the field of education, but whatever means the latter might have taken to satisfy the Quebec premier, I would have wished that, upon receipt of that money, Mr. Lesage would have been compelled to distribute it to children who still attend school, even if the provincial government already provides a certain amount in that connection. In fact, I feel such a course of action would have been more normal.

[*Text*]

Mr. Hales: Mr. Chairman, I must admit that I did not follow the minister's explanation too clearly and I would ask him to explain the matter in a little more detail. Will the exemption that parents of children 16 and 17 in the nine provinces can claim be reduced to $300 and will the parents of children of the same age in Quebec continue to get an exemption of $550? Would the minister take a family just across the river, let us say, with one child going to school and a similar family in Ontario, compare the two and explain the matter so that we may follow it?

Mr. Gordon: Mr. Chairman, there is a difference now between a family in Quebec and a family in Ontario which I will explain in a moment. That difference will be narrowed. At the moment a family in Quebec receives $550 in respect of or on behalf of—I forget the legal phrase—a child who continues in school up to the age of 18. I am informed that the age is higher than that. This is something that the people of the province of Quebec get from their provincial government, and that the people of no other province receive. Therefore parents in the province of Quebec now have a decided advantage in this respect over people in the other nine provinces. That is the way it is now.

Under the proposed plan the present arrangement in the province of Quebec will, as far as I know, continue without change. That is the intention of the government of Quebec. In all the other provinces, however, the federal government will extend the present family allowances at the rate of $10 per month for 12 months, whereas in Quebec it is only 10 months, and apply exactly the same formula that now applies up to the age of 15 in so far as allowances are concerned.

Therefore if you take somebody on one side of the river and compare her with somebody on the other side of the river I think you will be able to show that there is a difference in the net amount they will receive and that difference will be reduced in the future. Because the Quebec plan was introduced some time ago, because it is an established plan and because, understandably, I think, the government there feels it would be unacceptable to change it, the net amount after the deduction of the statutory allowances for children that would have been payable in the province of Quebec to mothers in the province of Quebec under the federal scheme will be paid to the government of that province. I do not know whether I should comment on the remarks of the hon. member for Assomption-Montcalm.

An hon. Member: Joliette.

Mr. Gordon: Joliette-L'Assomption-Montcalm. These triple constituencies bother me sometimes. At the beginning of his remarks he said that Premier Lesage had worked a miracle or was something of a miracle man or something like that. There are times when I am inclined to agree with my hon. friend opposite, but in this case I think this is not the logical conclusion.

Mr. Douglas: Mr. Chairman, I want to get some further clarification from the minister. I tried to follow him very closely. Briefly, do I understand the situation to be this? First of all, may I say that I agree with the minister, of course, that as Quebec already has its plan there is no reason why the federal government should ask them to discard it, and there ought to be some accommodation. All I am trying to find out is whether this is an equitable arrangement.

Do I understand what the minister is now telling us is something like this? In the province of Quebec the provincial government will continue to pay $100 a year per child. I am putting it on an annual basis. In other parts of Canada the federal government will pay to each family $120 per year for 16 and 17 year-olds. Will the financial equivalent which is to be paid to the province of Quebec be on the basis of $100 per child or on the basis of $120 per child. My second question is: Do I understand that the exemption for parents in Quebec will continue to be $550 whereas in the rest of Canada it will be reduced to $300? Will the minister answer those questions?

Mr. Gordon: Yes, but in calculating the financial equivalent to be paid to the province of Quebec it will be worked out at $120 less the difference between the allowances of $550 and $300, which makes quite a difference in the total tax paid by any individual. Therefore it will not be the gross amount of $120. Let me take my hon. friend as an example, although as he is roughly my age perhaps I had better pick somebody younger. I do not know whether the hon. member has teenage children. If a member of this house has two teenage children his wife will receive—

Mr. Douglas: In Quebec?

Mr. Gordon: In the rest of Canada—$240, but the amount of the deduction that the member can claim for those two children will only be $600 because his wife gets this extra amount instead of being $550 times two or a total of $1,100. So his tax will go up and the amount that the tax goes up is obviously an offset to the total that is paid. Exactly the same calculation will be made in arriving at the fiscal equivalent that is due to the province of Quebec. Therefore the province of Quebec, taking the province as representing all the people of Quebec, will be in exactly the same position as any other province.

Mr. Douglas: May I clarify one point? I think I understand the minister now, but am I correct that parents in the province of Quebec will get $100 instead of $120, but they will save almost the equivalent amount on income tax, so it works out reasonably fairly? The province of Quebec will collect on the basis of $120 even though it is only paying $100, but there will be deducted from the fiscal equivalent paid to them the amount of income tax which the federal government would have collected if the exemption had been only $300 in Quebec instead of $550. Is that correct?

Mr. Gordon: That is correct.

[Mr. Douglas.]

Mr. Fairweather: May I ask the minister at this stage, for the sake of consistency—and that is apparently the approach—why did the government not adopt the Quebec formula or the Quebec plan? Then we would not be spending all evening on this thing?

Mr. Gordon: I can assure my hon. friend that the members of the government spent many evenings in trying to arrive at the best solution of this very complicated problem.

Mr. Fairweather: Is this the best solution? I doubt it.

Mr. Gordon: The government thinks it is. Perhaps the hon. member may think so too when I have finished my explanation.

If the government had proposed to this house or, when the time comes if it did propose to this house, that we just adopt the Quebec plan holus-bolus we would not be extending the family allowance procedure at all. We would be doing something different. The family allowance procedure has been in force, I think, for 20 years. There has been no question about it. No one, to my knowledge, has ever challenged its constitutionality. If we were to adopt an entirely new approach for people in the 16 and 17 year old brackets, then I would have to go to the Minister of Justice and ask him if he was quite sure this would be acceptable.

The intention has always been in connection with this legislation that it should represent an extension of the family allowance scheme to apply to people at 16 and 17 years, because times have changed in 20 years and people no longer leave school, or we hope they no longer leave school at 15. This was the purpose and the intention. Apart from that, the problem has been to find a fair, reasonable and equitable basis for compensating the government of Quebec who, understandably, do not want to withdraw or change their system which has been in effect for three or four years.

[*Translation*]

Mr. Paul: Mr. Chairman, I listened with interest to the remarks made by the Minister of Finance, but I feel he was ill informed by his adviser when he told the hon. member for Wellington South (Mr. Hales) that school allowances were paid even after the age of 18 in the province of Quebec.

The granting of those school allowances ends at 18. But what I feel is unfair is that the Minister of Finance seems to consider as a dependant child one who attends an institution or a school, and that is the basis of his argument. Consequently, a 16 or 17 year old youth who does not attend school in Quebec would be deprived of the family allowance

from 16 to 18 years of age, while in the other provinces, such a child would get it.

Therefore, the word "dependant" should not be limited to those who go to school, because it may happen that a sick or crippled child remains dependant on his parents without going to school.

[*Text*]

Mr. Gordon: May I interrupt the hon. member? I am afraid that when I attempted to explain this I simplified it too greatly. I can assure my hon. friend this allowance will apply to children who are sick or invalids.

[*Translation*]

Mr. Paul: I thank the minister for clearing up that point, but here again it seems to me that the basic exemption will vary in the province of Quebec as compared to the other provinces. The minister stated that in Quebec the deductibility will reach a maximum of $470. But what about poor or large families? The individual who does not pay income tax for lack of sufficient income will not be able to benefit by this basic exemption of $470 and he will lose his monthly allowance of $20 compared to children of other provinces.

I believe the minister should, in the bill which he will submit to the house later, provide a special allowance based on 12 rather than ten months per year.

[*Text*]

Mr. Gordon: Mr. Chairman, all I can say in reply to that is the people in Quebec will be treated in exactly the same way as they always have been. So far as the compensation that will be paid to Quebec is concerned, I can say with some assurance that I have every confidence in the government of Quebec being able to check the arithmetic very carefully.

Mr. Rhéaume: I am wondering too, Mr. Chairman, about the grants that are going to be made to Quebec in lieu of this program. These family allowances are rigidly controlled by the Department of National Health and Welfare and in certain cases children would not be eligible under the program. For instance, a person over 16 not attending school would not qualify for the additional allowance. It seems to me the allowance regulations are going to differ between the federal family allowance scheme operative in all other provinces except Quebec, and the Quebec scheme. We are going to get serious discrepancies.

I can conceive of a situation whereby a mother in Quebec would receive the $100 a year allowance from the provincial authorities for income tax purposes and would be able to deduct the full $550 exemption for youngsters between 16 and 17, whereas a family in a province other than Quebec in the identical situation would not receive the extra family allowance and would still be allowed only the same deduction for income tax purposes. The question I have for the minister is, at the time these negotiations were being conducted did the federal government examine the kind of controls that were going to be imposed on this program to ensure there would not be a discrepancy here?

Mr. Gordon: Perhaps questions of this kind could be dealt with better when the legislation is before the house. I can assure my hon. friend that this problem has been gone into very thoroughly. I think it might perhaps becloud a very interesting and a very good discussion on this resolution if we get into a discussion of another piece of legislation that will be presented very shortly.

Mr. Hales: I understood the minister to say the exemption for parents in the nine provinces will be $300 and in Quebec it will be $550 for children aged 16 or 17 years going to school. Now, how do we know whether or not a child is at school? How is this arrived at? I think I understand the Ontario situation; is Quebec operated the same way?

Mr. Gordon: The same tests will apply in the future as apply now, and family allowances are not paid now unless children go to school.

Mr. Hales: The question is, how do we know the child is at school? What controls have we?

Mr. Gordon: This is something I would prefer to discuss when the legislation is before the house. I do not know whether that will be next week or next month, but it will certainly have to be soon. I will be properly briefed then and I hope I will be in a position to answer my hon. friend's question. My understanding is that the officials of the Department of National Health and Welfare have an inspection service, and they check up with the schools.

Mr. Hales: Maybe we can hold over paragraph 14 until we have this information that the minister speaks of.

Mr. Grafftey: On this clause—and at first glance one might think I was getting off the subject—I would like to point out that often, both in this chamber and outside it, I have proposed closer liaison between the federal government and the provincial governments. I proposed the establishment of a secretariat or other body for federal-provincial affairs,

and if any example demonstrates the necessity for such a body it is the debate in this committee tonight.

I am not blaming the minister for this. I know we are still a young country and are still evolving our procedures, but my proposal to this effect was talked out the other day during private members' hour. What is going on here tonight indicates the immediate need for the government to sit down with the provinces, not tomorrow but almost tonight. I have spoken about this to my colleagues, to my friends in the press gallery and to my friends on both sides of the chamber. There has been far too much postponement about it.

There is an immediate need for the establishment of more sophisticated bodies, call them secretariats or what you will. Tonight's debate indicates the type of misunderstandings and disagreements that can take place when we lack this liaison or these sophisticated bodies for federal-provincial affairs. I should think the minister would be getting pretty tired of having ultimatums issued to him by the premier of Quebec, but I congratulate the minister.

Every sincere Canadian, no matter what party he belongs to, is happy about the type of arrangement the minister and the government have been able to make with Quebec in the last few days. I congratulate the minister and the government upon it, and we are putting party after country when we say that.

However, I remember just before that the federal government was threatened by the premier of Quebec that this whole question was going to be brought immediately before the supreme court. Within the short space of one year we have had a Liberal premier telling a Liberal government at Ottawa that he is going to have his way, or else.

The Chairman: Order. The standing order is well known to the hon. member, which requires that discussion in committee be strictly relevant to the resolution before us, and I would ask him to keep that in mind.

Mr. Grafftey: I bow to that ruling, but I would point out that before the arrangement was made with the province of Quebec, the premier of Quebec stated that this whole matter was going to be brought by his government before the supreme court, and I think that is relevant. That being the case I would like to ask the minister, before this arrangement was made with the province of Quebec, did any of the government's advisers advise it that this whole proposal was unconstitutional?

Before taking my seat I offer this idea in all sincerity to the committee, because I think it is a very appropriate time to do it. The debate taking place tonight, and what has happened outside the committee in relation to this whole problem, indicates that there is a pressing need for more sophisticated bodies to deal with liaison between the federal government and the provinces.

[*Translation*]

Mr. Caouette: I have only a few words to say about paragraph 14.

I feel that the reference to exemptions which must not exceed $470 if an allowance is paid under the Family Allowances Act causes confusion more than anything else.

Many people think that the province of Quebec will benefit more than the other provinces and will get a preferential treatment under this paragraph 14.

I wonder whether the minister intends to introduce legislation in this field in the near future? The minister and the government should have granted a general increase in family allowances for children 17 and 18 years old, under the same conditions now applying to children getting allowances since 1945—if a child stops going to school, as the minister knows, the payment of those family allowances is stopped. It has always been so. Now, to avoid this confusion which exists at the present time between Quebec legislation and federal legislation which is interpreted in Quebec as a federal intrusion in a provincial field, why not increase family allowances now granted to other children?

If Quebec decides to pay school allowance in addition to family allowances, that would be its own business. If Ontario wants to do likewise that is also Ontario's own business and if that province does not want to do so, it does not have to. I think that it would justify the federal point of view, if we had standard legislation throughout Canada. It is useless to divide. There has not been any division in the case of family allowances since 1945.

All the provinces and all the mothers have accepted it, like the minister said a moment ago. But since the minister does not see any objection to the mothers of our children receiving an allowance $10 larger, why does he not introduce general legislation to continue family allowances up to 18 years of age. Then, let the province of Quebec administer its own educational system, and let Mr. Jean Lesage continue, I hope, to pay $10 a month to the children of the province of Quebec. And that will free the federal government.

[*Text*]

Mr. Baldwin: I realize the minister is in a difficult position. He is trying to explain what,

prima facie, is a very simple question. Unfortunately for him it is complicated by the fact that the Prime Minister, in making his statement, indicated that instead of this family allowance being extended into the province of Quebec there would be an equivalent provided. Consequently, when we look at paragraph 14 we must look at it in the light of what the Prime Minister said in his announcement.

What the minister has been attempting to do is to indicate what type of regulations there will be in the future, so that in the view of the government there will be equity done between the parents of 16 and 17 year old children in Quebec and the parents of 16 and 17 year old children outside Quebec. This is how I understand his proposition. We must take these two statements together, and the fact that the government of Quebec has stated it wants this allowance in another form.

What puzzles me is how we can reconcile that with the fact that for 20 years family allowances have been paid into every province with a stipulation that if a child ceases to attend school the allowance ceases to be paid. I realize in making this comment the minister may be driven to consider what may be the type of legislation to be introduced in the future, but for the last 20 years family allowances have been paid under the provisions of the legislation which provides, under section 4, that the allowance ceases to be payable if the child does not regularly attend school as required by the laws of the province where he resides. I realize this is not the time when the minister can give a complete answer, but nevertheless we are being asked to approve paragraph 14, and we must keep this in mind. How do we reconcile this provision which has been in the Family Allowances Act for 20 years with the distinction which we are now asked to make with respect to the province of Quebec?

Mr. Gordon: I think that is a perfectly clear question and I will try to answer it. In the normal course I would have expected that if it were decided that family allowances should be continued in respect of children in school after the age of 15, that is while they are 16 and 17, there would just be an extension and we would go along in exactly the same way as before. That is what will happen, except in the province of Quebec. Why should there be a different formula for Quebec? The answer is that Quebec is already in this field. The province is already paying an educational grant to children who are 16 and 17 years of age.

Theoretically, I suppose, if the federal government wanted to extend the present family allowance arrangements up to the age of 18 they could do so and this would apply everywhere in Canada, including Quebec; and the government of Quebec could in that event do one of two things: It could either continue to pay its present education grants, which would mean there would be roughly twice as much paid in the province of Quebec in respect to children aged 16 and 17 as would be paid elsewhere in Canada, or, alternatively, it could say: The federal government is now paying these sums; we shall stop our payments. Either of these decisions would be perfectly logical, I suggest. However, the government of the province of Quebec says: We have been in this field for three or four years; we are doing it in a way which seems to us reasonable; a way which seems acceptable to our people, one which is well established; and we want to go on doing it that way; we would prefer it if you would pay to us the equivalent of what would have been paid by the federal government net, after income tax and so on, and if it were paid directly in respect of the children.

Anyone could argue whether or not this was a good way of doing it. As I say, the federal government could charge right ahead, ignore the fact that this is an established program in Quebec and insist on paying the amounts directly to the mothers despite the fact that the government of the province does not want this done. Or the government of Canada could say: We recognize the fact that you have been in this field for three or four years. We are not going to pay any more than the citizens of Quebec would have got under our new scheme, but instead of paying them double and embarrassing everybody we shall pay the net equivalent to the government of Quebec. And this is what will be proposed when the legislation is presented in this house.

Mr. Enns: I believe this extended discussion would not have taken place if the minister had been able to say right at the outset that there would be no difference in the income tax deductions applicable to the mothers in the province of Quebec and those in the rest of Canada. He said there would be a financial equivalent but it would not be the same.

Is it fair to assume that the education grant being paid to the people in Quebec is possible because of the tax-sharing arrangement by the federal government—in other words, because there is an element of federal assistance in those payments? If so, it seems unfair that there should be this difference.

Mr. Gordon: I cannot say the situation would be exactly the same, because it has not been exactly the same for the last three or four years. It has been very different.

Amounts paid by the province of Quebec in respect of children in that province have not had any effect on deductions. They have been treated as though they were made to the child, not to the mother.

Mr. Enns: My point is that if there is an element of federal assistance in the provincial scheme for paying education grants there must be some way of working this out so that for income tax purposes there would be no difference as between parents in Quebec and parents in other parts of the country.

Mr. Gordon: I appreciate the hon. member's suggestion and his feelings in the matter but I do not know of any way in which this could be done.

Mr. Rhéaume: When I addressed a question to the minister earlier on the subject—admittedly it was not in such clear terms as were used by my hon. friend from Portage-Neepawa—the hon. gentleman suggested we should wait until the legislation was before the house, at which time, he said, it would be possible to go into the details of this program. I do not quarrel with that position, but I do not necessarily want details of this program. I want an assurance that the controls which have been placed on this program, be it administered in Quebec or in any other part of the country under the authority of the federal government, are going to be equally effective. Arrangements for deductions should be the same for all Canadians, especially if the programs are to be similar. Surely if we enter into this bargain with the people of Quebec—and it is a bargain for those who live in Quebec—Canadians who live in other provinces should not be subjected to rules and regulations, under the family allowances program, which people in Quebec will not be obliged to keep. If the minister can give me this assurance I shall be prepared to wait for the details on a later occasion.

Mr. Gordon: I am perfectly prepared to give that assurance to the best of my knowledge and belief. If anything, I think the checking up process will be more complete in the province of Quebec than elsewhere in Canada. I do not wish to go into details but I think I am safe in assuring the hon. member that there is nothing to worry about on that score.

Mr. Thomas: There seems to be a fundamental matter here which should be taken into consideration. As I understand the minister's explanation, the people of Quebec are to be treated differently from people in other parts of Canada. I think that is unfortunate. I know there is to be a compensatory payment made to the province of Quebec, but I understand that the mothers in Quebec are to receive $10 for ten months of the year whereas parents in other parts of Canada are to receive $10 per month for 12 months of the year. I would have to put myself on record as favouring a program whereby all mothers across Canada would be treated alike—

Some hon. Members: Hear, hear.

Mr. Thomas: —and the children paid $10 for 12 months of the year. I think it is up to any provincial government to accommodate its arrangements in such a field as this to an over-all scheme, and in this I agree with the hon. member for Peace River. In effect we are simply extending family allowance at the rate of $10 per month from the age of 16 to the age of 18. That is what we are doing. Why not come right out and do it openly without any of these confusing arrangements which seem to enter into this question? Why not simply extend family allowances from age 16 to age 18 and have done with it? The present act takes care of school attendants and children who are dependant. The children who are ill or cannot attend school are taken care of. The children who are healthy and do not attend school come under the same regulations and the same conditions as do other children at the present time.

I feel we are on the wrong track. There is a fundamental point which this committee should take into consideration and I do not think we can pass it over as lightly as has been suggested. I think we should increase family allowances to the age of 18, leave it at that and let the different provinces deal with it as they will.

Mr. Ricard: Mr. Chairman, I want to thank the hon. member who said a few words a while ago. I felt like him, but coming from the province of Quebec I thought I would give the opportunity to somebody else to speak for me, and I want to thank the member very warmly.

It seems to me, after taking into consideration everything we have heard tonight, that there is only one aim in the mind of the minister, and it is to save the face of his friend the premier of the province of Quebec. I think the mothers of the province of Quebec owe a debt of gratitude to the hon. member for Middlesex West, and I would like the minister to take into consideration the recommendation he has just made, and forget the petty politics that seem to be underneath this matter and governing all the acts and movements of the minister. Please put us on the same level as everybody, and try to forget your friend the premier of the province of Quebec.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Pigeon: Mr. Chairman, at the present time the government of the province of Quebec pays the children attending school $10 a month during a period of ten months, that is during the school year, whereas the federal government pays $10 a month during 12 months.

Under the circumstances, I am of the opinion that this situation discriminates against the mothers and children of Quebec. I feel that if the federal government reached an agreement with the province of Quebec about that sum of $10, it would have been very important to make Mr. Lesage and his government pay that $10 during 12 months instead of ten, as they do in the other provinces where mothers will receive $10 during 12 months. That is discrimination against mothers and, consequently, I should like to know whether the minister intends to intervene with the Quebec premier to remedy the situation.

Mr. Rondeau: Mr. Chairman, I rise on a point of order. Is the hon. member for Joliette-L'Assomption-Montcalm aware of the fact that the Quebec premier has announced that his province will pay $10 a month over a 12 month period just the same as the federal government?

I will have a few words to say on that point later on.

[*Text*]

Mr. Gordon: Mr. Chairman, I wish to thank my hon. friend. I was just about to say that I am quite certain the premier of the province of Quebec will do right by the mothers of that province.

Mr. Nowlan: Mr. Chairman, I am not intervening in this debate, which is very interesting and, I hope, helpful, but I would just like to say a few words. This is a very involved and complicated matter that we have been discussing tonight. Therefore I think it is desirable that we should read the record and the explanations the minister has given so we may obtain a proper understanding of exactly what has been done. It is rather difficult during the course of debate to follow this matter in the detail that I think is required.

We are now told that the payments are exactly the same in all provinces, and that at least is one step on the road to uniformity. There is still the problem of the income tax deductions under the Income Tax Act, and I think this is perhaps more serious than the minister was inclined to recognize or admit when he referred to it a short while ago. Previously there was a lesser payment made to the province of Quebec; now it is a larger one. With regard to the deduction which the minister mentioned, if you get a deduction of $300 a year for a dependancy in one case, and $550 in another case, it depends entirely on the taxable income as to how much deduction that may be worth. There is no point at all in saying it is equalized because of this, that and the other. We can all imagine a good many cases where a deduction of $550 would be infinitely more valuable than the compensating factors which the minister mentioned. I think we have to study this question. As I said, we will have the bill before us, I presume, in the reasonably near future and we will be able to discuss it then in all its details.

I want to impress upon the minister that we want—this has been said on this side of the chamber—absolute equality, and no one wants there to be any interference whatsoever with the Quebec scheme. As the minister said, they started their scheme some time ago, no one wants to interfere with it and no one wants to impose a tax on it, because we realize the constitutional complications that would arise immediately if you had an educational grant there and it was treated in a different way than we would have to treat it in regard to the other provinces. But I think we have to go some way yet in order to achieve uniformity among provinces in this matter. That is highly desirable, of course. We cannot have a family on one side of the river here treated in one way, and a family on the other side of the river treated in a different way.

Some hon. Members: Hear, hear.

Mr. Nowlan: That certainly would not be co-operative federalism; it would be the disruption of federalism, the disruption of federation, and we do not want to see that happen. As far as I am concerned—and I think most of us are concerned about this—there has been a fairly long discussion on this matter and I believe the minister appreciates the viewpoint that has been put forward. I can imagine that he has discussed this matter at length on various occasions and in a far different place from this, and has heard every argument which has been advanced tonight—and possibly he has raised some of them himself.

Paragraph agreed to.

On paragraph 15.

Mr. Rynard: Mr. Chairman, I would like to ask the minister whether under this paragraph students who go to trade school, business college, or even take an apprenticeship in a factory where they are learning a trade or receiving technical training, qualify for this allowance.

Mr. Gordon: Mr. Chairman, this is now being worked out and will be incorporated in the legislation that deals with this subject. I am afraid I am just not able to give a direct answer to my hon. friend at this moment. It does not have any bearing on this particular section of the resolution, but it will be explained fully when the next piece of legislation is presented.

Mr. Clancy: Mr. Chairman, I would like to ask the Minister of Finance whether you can opt out on this 16, 17 and 18 year old deal.

Mr. Gordon: No, Mr. Chairman.

Paragraph agreed to.

On paragraph 16.

Mr. Nowlan: I have only one comment with respect to paragraph 16. If I were to make a comment which is as long as the paragraph itself we would have to ask leave to sit much later than ten o'clock tonight, but the best comment I think I could make on this legislation which the minister has fought so hard to achieve with regard to the control of Canadian corporations is to be found by anybody who wants to look at the regulations which are in front of us. If they do so they will find the definition of Canadian ownership, which should be a fairly simple term to define. For the sake of those who may read *Hansard* may I say that I am looking at a text in form roughly the size of *Hansard*, and this simple little definition of Canadian ownership starts half way down page 6, runs all the way down page 7, runs all the way down page 8, and runs almost to the end of page 9. Never were so many words used to express so little, as has been the case here. I think this is the only comment which needs to be made at this time.

The minister spoke the day before yesterday about loopholes and the plugging of loopholes. I am sure that the minister's former associates would look forward to an interpretation of this section with the highest possible degree of anticipation, because if there is anything that a chartered accountant or lawyer likes to do it is to try and interpret a section, to find holes in it, and to drive horses and wagons and even automobiles and railway cars through it. The longer the section the larger the openings and the more difficult is its interpretation. If this section ever becomes law every lawyer and chartered accountant of any repute will be fully employed for the next two or three years in handling cases arising from it, quite apart from the section we passed this afternoon concerning their being able to charge it up to their client.

[Mr. Rynard.]

This is a commentary on legislation which I think is most unfortunate and is unenforcible; but in view of the hour and the comments which have been made earlier on the accompanying section I do not propose to say anything more about it now.

Paragraph agreed to.

The Chairman: Shall we now consider the amendment.

Mr. Lamontagne: I move:

That the Income Tax Act resolution be amended by adding thereto the following paragraph:

"17. That the income tax otherwise payable by an individual in respect of income earned in a province of Canada be reduced by

(A) 21 per cent for the 1965 taxation year, rather than 19 per cent, and

(B) 24 per cent for the 1966 taxation year, rather than 20 per cent."

Mr. Nowlan: This is an increase of 2 per cent in the coming year and 3 per cent in the succeeding year?

Mr. Gordon: It is 3 per cent each year.

Mr. Nowlan: It is 19 per cent to 21 per cent and 21 per cent to 24 per cent. Is there an error there?

Mr. Gordon: It is going up to 21 per cent instead of 19 per cent, and to 24 per cent instead of to 20 per cent. Normally it would go up to 19 per cent next year and 20 per cent the year after. It is now proposed that it go up to 21 per cent next year and 24 per cent the year after.

Amendment agreed to.

The Chairman: The committee will now proceed to the consideration of the Customs Tariff resolution.

Mr. Nowlan: Mr. Chairman, shall we call it ten o'clock? There will be some little discussion on the Customs Tariff resolution. If the minister wishes we could start now but I can assure him that this matter will take more than three or four minutes. Might I suggest to the minister that we proceed with the Income Tax Act bill?

Mr. Gordon: I should like, if the chairman will allow me, to proceed until the bill receives first reading so that hon. members will have a chance of studying it. Then if it is ten o'clock, we could start the customs resolution tomorrow.

Mr. Nowlan: As far as we in this part of the house are concerned we would be agreeable to have the committee rise and introduce the bill and have first reading of the bill.

The Chairman: Shall I rise, report a certain resolution and ask leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Resolution reported and concurred in.

INCOME TAX ACT

Hon. Walter L. Gordon (Minister of Finance) moved for leave to introduce Bill No. C-91, to amend the Income Tax Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read a second time? Next sitting of the house?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, if we are calling it ten o'clock I might ask for the business of the house for the balance of the week.

Mr. Favreau: Mr. Speaker, we will proceed tomorrow with the debate on the Customs Tariff and if time is available the Estate Tax Act resolution. On Thursday we will be taking the Blue Water bridge bill; then the Post Office Act amendment resolution; and also if we have time on Thursday my little resolution concerning the amendment to the Exchequer Court Act. On Friday the estimates we will be dealing with will be those of public works. The reason I am not calling agriculture is because the Minister of Agriculture will not be available, as he will be attending a conference in Ottawa. That is the business of the house for the next few days.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion)

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

Mr. Deputy Speaker: In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore the question is that this house do now adjourn.

SHIPPING—REPORTED U.S. ACTION TO CONTROL LAKE HURON WATER LEVELS

Mr. Deputy Speaker: The first question is from the hon. member for Lambton West.

Mr. Walter F. Foy (Lambton West): Mr. Speaker, the reason I asked the Minister of Transport a question this afternoon was because the harbours along the shores of lake Huron are becoming useless. This year I understand the drop in the level of water has reached the point where the water level is approximately three feet below average. My riding, like others in the lake Huron area, is suffering a great deal because of this. For example, Grand Bend has a number of fishing companies which produced about $750,000 five years ago, quite a large amount for a small area. This is now reduced to about $500,000 per year. The harbour has been dredged each year, but if the harbour has no water all the dredging that can be done is not going to help the fishing boats in and out of the harbour. What they need is water.

Following along the lake Huron shore of my riding I come to Port Franks, Perch creek and Point Edward where there is a great deal of commercial fishing which is very important to these areas. Business that requires river dockage suffers at the port of Sarnia. I believe the port of Sarnia is classified as part of the seaway and if the water levels of the lake continue to go down that very busy port of Sarnia will be in real trouble unless something is done. This is the reason I asked the Minister of Transport this question this afternoon.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the question raised by the hon. member for Lambton West has to do with a matter that was decided in principle some years ago. According to the information available to me, at the time the dredging was started in the St. Clair river—I recall the very beginnings of that because I was minister of citizenship and immigration at the time and it affected the Indian reserve on Walpole island—the United States government also proposed that they should make a study of the possibility of putting some kind of barrier in the river just below the Blue Water bridge in order to maintain the levels as much as could be done in that way without interference with navigation, and to offset any possible effect that dredging might have.

However, this was not the kind of thing that could be done very effectively without a good deal of model testing and experimentation. The government of Canada agreed in principle to having this matter considered. The information I have is that agreement was given in 1962 by the previous administration, and I think very wisely, and that this experimentation is now going on. I sincerely hope, as I am sure all hon. members do, that it may be successful and that some definitive action may be taken as the result of it.

I am afraid, however, that however valuable this may be as a long term measure it is not going to have very much effect, and in fact cannot possibly have any effect at all, in the present season. We are faced with a very grave problem indeed not only in lake

Huron and Georgian bay, and a great deal of concern has been expressed to me in this regard by many hon. members and by many outside the house through considerable correspondence. I think the hon. member for Lambton West is quite right in saying that the problem cannot really be cured by dredging.

The Minister of Public Works (Mr. Deschatelets) and I and our officials have been considering this matter and we are going to do anything we can to alleviate the situation by dredging. But the water just is not there. This is something that I am afraid can only be cured by more water.

Mr. Deputy Speaker: Order. I am sorry to interrupt the minister but his time has expired. The hon. member for Parry Sound-Muskoka.

SHIPPING—EXPERIMENTS BY U.S. CORPS OF ENGINEERS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question is along similar lines and perhaps the minister will have an opportunity to complete the second instalment of his reply.

Mr. Pickersgill: Part two.

Mr. Aiken: I have a somewhat similar question to that of the hon. member who just spoke. The low water levels on the great lakes and the Georgian bay have been causing concern for about a year now. In 1963 it was generally felt that the problem was one of a natural cycle. It was so explained to those of us who made inquiries and it was said that it would soon right itself.

However, when the ice went out in 1964 it became obvious that this was not just a low cycle. There was no restoration of the water level and, at the moment, it is not just a problem for many places along the lakes: It is a disaster. I saw pictures published in the Parry Sound *North Star* and in the *Globe and Mail* this morning which indicate how disastrous this situation is.

As the minister has just stated, members representing constituencies, particularly along Georgian bay and lake Huron, have been very concerned. The government, if I may be fair, I believe has accepted the advice it received that this was a cycle and there was not much that could be done about it. While this is undoubtedly a factor, and while undoubtedly there is low precipitation, many of us fear that underlying this may be something more fundamental, that there may be not just a short term problem but a major one such as the drainage away of water.

In asking the numerous questions that have been asked, we are not trying to attach blame. We are merely attempting to get the government to undertake some active measures to have the situation rectified. Several indicators show that the lack of precipitation is not the whole answer. Over the week end, I verified this. For example, the Muskoka lakes and most of the smaller inland lakes have normal water levels now. Lake Nipissing, according to an answer I received yesterday, has water one foot higher than it was last year or the year before. We are not suggesting that any of these lakes should be lowered because that would merely be extending the problem into other lakes.

We do feel that the studies that are being undertaken by the United States corps of engineers now indicate there is a problem to be met. We are hoping that some long term measures will be seriously considered so that we will not find the situation is a permanent one. My question is really to determine whether the government has now been persuaded that some action is necessary and that some research will have to be done. If the Minister of Transport would make a statement along those lines, then I am sure we would all like to hear that statement.

Hon. J. W. Pickersgill (Minister of Transport): I could not agree more with what the hon. gentleman has just said. I do not pose as an expert, myself, but I do not believe, although there has been a serious lack of precipitation in the last two or three years, that is the whole answer to the problem. I did not bring the figures with me, but I have been looking at them. It is quite apparent that there has been, over two or three years, a lack of precipitation. There may be something cyclical about these things. However, it is a little questionable whether our records extend back in a really accurate way long enough to be sure about that. There is not any doubt that the rate at which water is being used at the present time, particularly in highly settled areas like the old part of Ontario, and the gradual denuding of forest cover, have contributed to what may be a long term situation. Since this situation has been partly created by man, perhaps it will need man to do something to offset it.

I would be hopeful that the ARDA program would have some effect in helping in the conservation of water. We are going to have to look quite seriously at this. With respect to some of the streams that were diverted into lake Superior, the diversions were started about a generation ago, and perhaps steps no one would have once contemplated even a very few years ago will have to be studied.

I do not think there is any possibility of doing too much research into this problem.

More and more we come to realize, not only all over this continent but throughout the world that water, which seems in many respects to be the cheapest commodity of all, is the most precious resource we have.

Speaking for myself, and I think for those of my colleagues who have a special responsibility in this matter, I will endeavour to see that everything is done that can be done to study the long term problem. Certainly we intend to do everything possible to alleviate—and I am afraid it can only be to alleviate—the immediate situation which is a cause of very great concern—perhaps of greater concern in Georgian bay than anywhere else—but of great concern to the whole of the lakes region.

HARBOURS—RIVIÈRE DU LOUP, QUE.—CONSTRUCTION OF DEEP WATER PORT

[*Translation*]

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, if I insisted on raising the question of the construction of a sea harbour at Rivière du Loup, it is because representations were made to me by people of great experience in matters of navigation on the St. Lawrence river. They are shipmasters who spend all their lives on the river and know it practically through and through.

Their experience acquired over many years of navigation on these waters gives them a knowledge that we do not have and could hardly acquire even with the most competent government engineers. Do you know, Mr. Speaker, what those people say? Well, they maintain that to build a sea harbour at Rivière du Loup at the cost of $7 million would be a mere waste of money, and that they cannot understand how qualified engineers could recommend such an expenditure, which will be a true waste of public funds. It is so evident that one already wonders whether that undue expenditure of public funds, if it is made will not be a typical example of plain patronage such as practised by the Union Nationale, but this time at the federal government level.

To support these statements, let me tell you that to build a sea harbour in Rivière du Loup, it would be necessary in the first place to dig deeply into the bottom of the river and to maintain it at a reasonable depth it would have to be dredged throughout the year. Then in the winter, on account of the general direction of winds, that sea harbour would be so heavily ice-bound that it would be necessary to have at least two or three icebreakers to clear it.

I would be glad for Rivière du Loup if an ocean port were established there, but it is not my fault if common sense and economic considerations indicate it would be absurd, in view of its location.

On the other hand, in the county of Charlevoix, two places are wonderfully suited to serve as ocean ports: Baie St. Paul and Pointe au Pic.

In addition, mineral resources are far greater on the north shore. At the present time, the economic slump is more severe in Charlevoix. Finally, the places mentioned have the natural qualities and meet the standards required for ocean ports. That is why it would be a tragic mistake for the Minister of Transport to go and spend $7 million where such an expenditure would be practically useless.

I suggest, therefore, that the minister be very cautious with this bill and give it full consideration before going ahead with it; incidentally, I would ask him to consider all the possibilities which Baie St. Paul or Pointe au Pic offer for a bill of this scope.

Furthermore, the establishment of a sea port at Rivière du Loup would not bring any great changes in the economy of that place, for Rivière du Loup does not suffer from lack of means of transportation; it already has the trans-Canada highway, and the C.N.R. as well as enough wharves for current business, and its economy at the present time is far more developed than that of Charlevoix county. In any case, such a harbour could not stay open all winter long, even if a lot of money were spent to keep it clear of ice.

Furthermore, it is precisely because the south shore was always favoured that part of the traffic going to the north shore passes on the other side of the river for quite a distance.

Besides, and nobody can deny this, since facts are there to prove it—it is on the north shore that one finds mining and other resources. In the long run, good sense will have to prevail; it is on the north shore that seaports and wharves should be built.

That is why I feel that the government would do well to start reversing that trend right now and stop favouring the south shore at the expense of the north shore.

Mr. Speaker, if I have chosen to speak of the riding of Charlevoix and of the harbour of Rivière du Loup, it is not so much to try to get a little more work for my riding—even though that would be commendable—but rather because I feel it is wasteful to make an expenditure of $7 million at a place where it would be useless, especially considering the deficits accumulated by the present government.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, we have given close, if reluctant attention to the remarks made by the hon. member for Charlevoix.

I want the hon. member to be sure of one thing. If we proceed with the case of Gros Cacouna—which is not Rivière du Loup, located at least ten miles away—let me assure him that we do not lose—

Mr. Bélanger: Mr. Speaker, would the minister allow me a question? I should like to ask him—

Mr. Deputy Speaker: Order. Questions are not permitted at this stage, according to the rules under which we are now proceeding.

Mr. Deschatelets: I should tell the hon. member that we are discussing the whole problem of the north shore, of the lower St. Lawrence and of the Gaspe peninsula.

The major project at Gros Cacouna is only the first step of a very important scheme we want to put forward for the three areas just mentioned.

We must start with one area. We are starting with that of Gros Cacouna and we shall build a deep water port which will be open 12 months a year.

If my hon. friend from Charlevoix will take the trouble to think a little about this problem, he will find that his area, that of the north shore, will directly benefit from this thoroughfare which will be open 12 months a year.

There is no doubt that the north shore coast contains extraordinary natural resources, but all the experts who have studied the communication problem in that area have agreed that the unemployment in the lower St. Lawrence and in the Gaspe peninsula is related to the fact that no concern or secondary industry will want to settle in an area where the thoroughfares are so poor.

I should like to review briefly the arguments put forward by the hon. member for Charlevoix, to the effect that the implementation of such a plan would be a waste of public funds, as we would venture to spend $7 million on a project without due consideration, due study—

The Deputy Speaker: Order. I regret to interrupt the minister, but his time is up.

[*Text*]

Under the provisions of provisional standing order 39A this house stands adjourned until tomorrow at 2.30 in the afternoon.

Motion agreed to and the house adjourned at 10.21 p.m.

HOUSE OF COMMONS

Wednesday, April 29, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. CAOUETTE—STATEMENT BY PRIME MINISTER RESPECTING PENSION PLAN

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege. I regret that the Prime Minister (Mr. Pearson) is not in his seat. My question of privilege arises out of a question I directed to him last Thursday, April 23, as reported at page 2487 of *Hansard*, which reads as follows:

> Can the Prime Minister tell us whether the agreement reached between Ottawa and Quebec respecting the Canada pension plan contains a provision allowing a province to change the contributions or the benefits without obtaining beforehand the consent of Ottawa and the other provinces?

To which the Prime Minister answered the following:

> The agreement is that there will be a universal pension scheme the provisions of which will be applicable to all Canadians.

At that time we accepted the Prime Minister's answer, but yesterday the Quebec premier stated in explicit, clear and precise terms, and I quote:

> I stated, said Mr. Lesage, and repeated and I repeat again that there will be a provincial pension plan in Quebec, a strictly provincial plan. The contributions will be collected by the province. They will be administered by the province. The benefits will be paid out by the province or by a provincial commission. One hundred per cent of the investments will be made by the province according to decisions made by the province. Provincial legislation will be introduced on that matter.

For the information of parliament, will the Prime Minister say whether he was aware of that matter or not? Because we were certainly misled. It clearly appears that Quebec will be given a double pension plan: one provincial and one national, according to statements by the premier and the Prime Minister. I should like the house to be informed on that matter.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it was impossible for the Prime Minister to be in the house today, but I am sure he will give the hon. member an answer tomorrow.

[*Text*]

Mr. Speaker: The question raised by the hon. member for Villeneuve is supposedly a question of privilege, but I notice it was not followed through with any motion. I have to determine whether there is a prima facie case of privilege, and it strikes me this is more in the nature of a complaint than a question of privilege. I am sure, the point having been raised this afternoon, that the Prime Minister will reply to it in due course.

AGRICULTURE

DAIRY PRODUCTS—ANNOUNCEMENT OF SUPPORT POLICY

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I wish to make a statement on the new dairy policy for the production year opening May 1.

I think the basic goal of all agricultural policies should be to maintain and improve the position of Canadian farmers in the national economy and to promote efficiency of production. This is the principle on which we are building our policy on all stabilization prices for farm products, including the dairy products concerned in the statement I am now making. We believe that efficient stabilization levels should ensure farmers a sound and stable return, consistent with realistic economics; keep Canadian farm products competitive both in price and quality, on the home market as well as in the markets of the world; and provide Canadian consumers with the highest quality food at the most reasonable prices possible.

A year ago I announced certain changes in the dairy support policy designed to pursue this general goal. For dairy products specifically, the changes were designed to bring consumption and production into better balance and at the same time to divert certain quantities of milk to the production of cheddar cheese.

I am pleased to be able to report that this program has over the past year been successful in meeting these objectives. For the dairy year now ending, total domestic consumption and export of dairy products are essentially in balance with production. Estimated butter production for the dairy year ending tomorrow is 352.1 million pounds. Estimated domestic consumption for the year was 357.4 million

pounds. Thus domestic consumption will exceed production by approximately five million pounds.

In addition to this we have made substantial export sales of butter in the form of butter oil, leaving estimated total butter stocks, including trade holdings, at the end of the dairy year of approximately 165 million pounds. This compares with total stocks a year ago of 203 million pounds. At the same time returns to producers of milk for manufacturing purposes have been above those of the previous year, while costs to the federal treasury, other than those associated with the accrued surplus, have been down.

Meanwhile milk production has remained strong and production of cheddar cheese has risen. Production of cheddar cheese for the dairy year now closing is an estimated 134.1 million pounds, an increase of 14 per cent over that of the previous year of 118.4 million pounds. Cheddar consumption was maintained at almost the same level, at 100 million pounds for this year compared to 102 million pounds for the previous year. Exports of cheddar were higher this year by 14 per cent than for the previous year, at 31.2 million pounds compared to 27.4 million pounds. Cheddar stocks for the year are estimated at 46 million pounds compared to 37 million pounds a year ago.

In line with the action taken a year ago, changes in the dairy support program for the new year opening May 1 will be toward a further rationalization of the program. We are trying to put an emphasis on quality production while at the same time maintaining the basic support levels currently protecting the producer.

In order to narrow the gap between the support level and the selling price of the agricultural stabilization board, the board's price for butter will be set at 53 cents per pound for 40 score creamery butter, basis Montreal and Toronto. This is a reduction in the consumer subsidy of 1 cent per pound. It will transfer a slight proportion of the dairy subsidy cost from taxpayers as a whole to the actual users of butter. The change is not expected to have any effect on butter consumption and will mean a saving to the taxpayers of an estimated $3.5 million. Meanwhile the support level for producers will be maintained at 64 cents a pound by the board. This means manufacturers will be authorized to pay eligible producers 13.3 cents per pound of butterfat used for production of creamery butter.

The support for cheddar cheese will be maintained at the existing level of 32½ cents per pound, but the basis on which it is paid will be revised to stress production of high quality cheese. Instead of paying 30 cents per hundredweight on milk used for cheddar cheese production, a payment of 3.6 cents per pound will be made on Canada first grade cheddar made from milk supplied by eligible producers. This will permit manufacturers of such cheese to pay at least the equivalent of the 30 cents per hundredweight assistance for cheese milk during the year now ending. The purchase program on dry skim milk and the assistance on milk used for the manufacture of casein will be reinstated on the same basis as in effect during the 1963-64 production year. Export assistance on certain dairy products will continue in the coming dairy year with the products and levels being made known to the trade by the board in due course.

In making this announcement I would stress that these moves represent another step toward solving what has been one of the most difficult agricultural problems facing not only Canada but many other countries in the world.

Mr. H. W. Danforth (Kent, Ont.): Mr. Speaker, we welcome the statement made by the Minister of Agriculture in the house today in regard to dairy policy. The dairy industry are accustomed to having this statement made prior to May 1, the beginning of the dairy year, and in this instance we are glad that the minister, although leaving it to the last moment, has made this statement. We are very pleased indeed to learn that one of the major dairy problems is being brought to a close, in that we find in the announcement made by the minister today that the domestic consumption and export of butter are being brought into line with the production of this commodity. This will alleviate one of the major problems of the dairy industry.

We welcome the statement made by the minister that he is going to continue the support on cheddar cheese, that butter will be subsidized and emphasis will be placed on the production of first grade cheddar cheese. We will have to wait until we can consider this report in some detail in order to deal specifically with the different parts of the announcement that has been made today but we are certainly pleased, sir, that the minister has taken this opportunity to announce to the country the dairy policy of this government.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TRANSFER OF WOMEN'S PRISON, KINGSTON TO CORNWALL

Question No. 43—**Mr. Orlikow:**

1. Has a decision been made to move the federal

women's prison from Kingston to Cornwall and, if so, when was this decision made?

2. Was consideration given to the possible difficulties of attracting qualified staff to Cornwall?

3. In the Cornwall area are there available psychiatrists, psychologists, and social workers, trained in correction and teachers who could be recruited to work in the new institution?

Mr. Favreau: 1. Yes, in January 1964, but the decision is being reviewed in the light of representations made by interested organizations.

2. No difficulties are contemplated in attracting qualified staff to Cornwall.

3. Such personnel are either available in the Cornwall area or can be recruited elsewhere to work in the new institution.

VOCATIONAL SCHOOL, POWELL RIVER, B.C.

Question No. 276—**Mr. Howard:**

Has any statement, commitment or promise been made by any minister of the crown to one Henry Castilou or anyone else of British Columbia that 90 per cent of the funds necessary for a vocational school in the Powell river district would be provided by the federal government and, if so, which minister or ministers made such a statement and at what time and where?

Mr. Badanai: A delegation of Indians from British Columbia, accompanied by Mr. Castilou, during a visit to Ottawa last November discussed among other things the matter of vocational training for Indian boys and girls. The delegation mentioned establishing a separate vocational school for Indians but no commitment was made that this would be done. They were especially concerned with those who had ability but did not have the academic requirements for admission to the regular provincial training programs. It was indicated that consideration would be given to a special training program for this group. The department has already moved in this direction by having the Vancouver vocational institute offer special carpentry courses for Indians. In addition over 30 per cent of the enrolment in an upgrading program conducted by the province in Vancouver has been of Indian status and the results have been satisfactory.

* FEDERAL EMPLOYEES RECEIVING LESS THAN $1.25 PER HOUR

Question No. 321—**Mr. Fisher:**

1. How many employees does the government have who are now receiving less than $1.25 an hour, in both prevailing rates categories and for those who work on salary?

2. Has the government an estimate on how much it would cost it per year if the minimum wage should be set by law at $1.25?

Mr. Benson: 1. The last detailed calculation that was made refers to March, 1963, and at that time there were 5,500 salaried employees and 7,900 prevailing rate employees receiving less than $1.25 per hour.

2. No estimate of the complete cost is available. However, to increase the 13,400 employees mentioned in 1 above to a minimum of $1.25 an hour would cost approximately $4,800,000 per annum. Substantial additional costs would result from requirements to reestablish differentials for some other classes already paid at $1.25 or more.

COMMEMORATION OF BIRTH OF SIR JOHN A. MACDONALD

Question No. 335—**Mr. Mather:**

Is the government giving consideration to encouraging the suitable commemoration of the 150th anniversary of Sir John A. Macdonald's birth, including the declaration of a national holiday on that date, Monday, January 11, 1965?

Mr. Davis: The government is giving consideration to a number of suggestions that have been made for the commemoration of the 150th anniversary of the birth of Sir John A. Macdonald.

R.C.M.P. QUARTERS, ASHERN, MAN.

Question No. 369—**Mr. Stefanson:**

What type of R.C.M.P. detachment quarters are planned for Ashern, Manitoba, and when will tenders be called?

Mr. Favreau: A standard detachment building with office space, cell rooms, married and single quarters, is planned for Ashern, Manitoba and it is anticipated tenders will be called within the next two months.

R.C.M.P. QUARTERS, NORWAY HOUSE, MAN.

Question No. 433—**Mr. Stefanson:**

What type of R.C.M.P. detachment quarters are planned for Norway House, Manitoba, and when will tenders be called?

Mr. Favreau: One prefabricated office building and one standard detachment type married quarters are planned for Norway House, Manitoba. Tenders will be called during the fiscal year 1964-65.

*INCREASED GRANT TO CANADA COUNCIL

Question No. 501—**Mr. Orlikow:**

Is the government giving consideration to the request of the Canada Council for an increase this year and for the next two years, to its endowment fund of $10,000,000 for a total of $30,000,000 so that the Canada Council can fulfil the important functions of supporting the arts, humanities and social sciences which has been assigned to the Canada Council?

Mr. Stewart: Yes, Mr. Speaker, but as of this moment no decision has been reached.

R.C.M.P. QUARTERS, HODGSON, MAN.

Question No. 544—**Mr. Stefanson:**

1. Has land been purchased for R.C.M.P. detachment quarters at Hodgson, Manitoba, and, if so, from whom was land purchased and what was the cost?

2. What type of detachment quarters do the plans call for and when will tenders be called?

Mr. Favreau: 1. No.

2. Present plans do not call for construction of new detachment quarters at Hodgson, Manitoba.

IMMIGRATION FROM INDIA

Question No. 554—**Mr. Howard:**

Is there an agreement in effect between the government of Canada and the government of India which restricts to 300 the number of citizens of India who may come to Canada in any one year for permanent residence and, if so, will steps be taken to rescind this agreement?

Mr. Tremblay: In 1951 the Canadian and Indian governments entered into an agreement providing for the annual admission to Canada of 150 citizens of India over and above those categories of persons who were already eligible for admission under then existing immigration regulations. The agreement was revised in 1957 to increase the number involved from 150 to 300.

On the surface it might appear that this agreement is restrictive in nature as is suggested by the wording of the hon. member's question. However, it must be borne in mind that the agreement was concluded at a time when immigration regulations were not as broad in scope as they are at present. In effect therefore the agreement took the form of an extension of the admissible categories for citizens of India.

With the coming into force of new immigration regulations in February 1962, which gave everyone an equal opportunity to qualify for admission in his or her own right, the need for the agreement from the viewpoint of the Canadian government ceased. Discussions have since been held between representatives of the Canadian and Indian governments with a view to cancelling the agreement. In the meantime the agreement has remained in effect.

I would also like to say that the hon. member, in putting his question, has given me the opportunity to qualify to some extent the observations I made previously on this subject at page 1469 of *Hansard* during the course of the debate on the immigration supplementary estimates on March 25, 1964.

DOMICILIARY CARE PATIENTS, VETERANS HOSPITALS

Question No. 582—**Mr. Harley:**

What percentage of the total of the patients in the various D.V.A. hospitals across Canada have been hospitalized and considered to be domiciliary care cases for the years 1959, 1960, 1961, 1962, and 1963?

Mr. Teillet: 1959, 49.9 per cent; 1960, 48.1 per cent; 1961, 47.2 per cent; 1962, 45.8 per cent; 1963, 46.4 per cent.

[Mr. Stefanson.]

*MENTION OF ATLANTIC PROVINCES IN T.C.A. ADVERTISEMENT

Question No. 608—**Mr. Bell:**

Did a recent two-page advertisement in *The Scottish Field*, sponsored by Trans-Canada Air Lines and/or Air Canada telling of Canada's attractions, neglect to mention the Atlantic provinces and, if so, for what reason?

Mr. Cantin: The management of Trans-Canada Air Lines reports that this, in fact, was the case and added: It also omitted reference to points in the provinces of Saskatchewan and Manitoba. The reason is that if the impact of any advertisement is to be retained the amount of material contained in it must be severely curtailed.

The management of T.C.A. is reviewing this and other similar comments received concerning their advertisements.

STUDENT LOANS—REFERENCE TO SUPREME COURT

Question No. 634—**Mr. Matheson:**

With reference to representations of the premier of Quebec respecting the power of the parliament of Canada to legislate on family allowances and student loans, will the government consider the advisability of referring these matters to the supreme court under the provisions of section 55 of the Supreme Court Act for consideration and adjudication?

Mr. Davis: The position of the federal government on these two matters is contained in the Prime Minister's statement to the house on federal-provincial arrangements as reported in *Hansard* of April 20, 1964.

GREAT LAKES WATER LEVELS

Question No. 655—**Mr. Aiken:**

1. What was the average water level for each of the years from 1955 to 1963 inclusive on lakes Huron, St. Clair, and Erie?

2. What was the average annual rate of precipitation in the upper great lakes area for each of the years from 1955 to 1963 inclusive?

3. What is the minimum depth of the channel between lake Huron and lake St. Clair, and when was the last significant change?

Mr. Lamontagne: 1. The yearly mean levels of lakes Huron, St. Clair and Erie, in feet above the international great lakes datum (1955), as recorded at the Canadian hydrographic service gauges at Goderich, Tecumseh and Port Colborne, which are considered representative for each lake are as follows:

Year	Lake Huron (Goderich)	Lake St. Clair (Tecumseh)	Lake Erie (Port Colborne)
1955	579.10	574.11	571.49
1956	578.16	573.10	570.68
1957	577.64	572.92	570.44
1958	577.05	572.05	569.71
1959	576.78	572.09	569.90
1960	578.28	573.17	570.66

Year	Lake Huron (Goderich)	Lake St. Clair (Tecumseh)	Lake Erie (Port Colborne)
1961	578.00	573.12	570.63
1962	577.49	572.50	569.98
1963	576.51	571.78	569.44

2. The average annual rate of precipitation (snow and rain) in the upper great lakes area for each of the years from 1955 to 1963 inclusive was as follows:

1955	34.19 inches
1956	27.01 inches
1957	28.97 inches
1958	29.67 inches
1959	32.66 inches
1960	31.26 inches
1961	28.58 inches
1962	27.19 inches
1963	25.30 inches

3. The minimum depth of the channel between lake Huron and lake St. Clair at mid-April 1964 was 26.4 feet. The last significant change took place in 1962 when the U.S. corps of engineers completed a dredging program to deepen the channel.

FARM CREDIT CORPORATION SOLICITORS, ALBERTA

Question No. 681—**Mr. Horner (Jasper-Edson):**

1. How are the divisions in the Farm Credit Corporation in Alberta allocated to solicitors?

Questions

2. Who are the solicitors at present and how much has been paid to them in the past year?

3. For what reason has no solicitor been appointed at Barrhead, Alberta, and (a) has the government been unable to find lawyers there with the necessary qualifications to act on behalf of the corporation (b) has the corporation considered the fact that it requires farmers in that area to drive 180 miles into the city of Edmonton to have their legal work done?

Mr. Hays: 1. After consideration of the volume and distribution of its lending operations in Alberta, the corporation appointed solicitors at a number of centres throughout the province to do legal work with respect to loans in the area surrounding such centres. In determining the number and location of solicitors, the corporation has endeavoured to provide satisfactory geographical distribution, with each solicitor receiving a sufficient volume of business to become thoroughly familiar with procedures and requirements, and to encourage him to give a measure of priority to the corporation's work, so that loans would be disbursed to farmers as quickly as possible.

2. Fees payable to solicitors for processing loans are paid by the borrowers, either directly or from the proceeds of the loan, in accordance with a tariff of fees set by the corporation. The present solicitors, and the amount of fees paid to each, on behalf of the borrowers, in the fiscal year ended March 31, 1964, are as follows:

Solicitor	Fees
Arnell, G. E.	$2,465
Decore, J. V.	2,096
Holmes, J. K.	3,250
MacDonell, C. A.	2,085
MacNaughton, F. R.	2,105
Maddison, H. C. B.	2,120
Moshansky, V. P.	2,240
Rennie, G. R.	1,130
Yanosik, C.	2,180

Solicitor	Fees
Broughton, R. D.	Nil
Catonio, A. P.	Nil
Chamberlain, L. C.	Nil
Crerar, D. C.	Nil
Fowler, J. W.	Nil
Gulak, B. J.	Nil
Knaut, G. R.	Nil
Lagasse, J. L.	Nil
MacNaughton, D. P.	Nil
Medhurst, D. H.	Nil
Turner, W. O.	Nil
White, W. G.	Nil

3. (a) and (b). A solicitor was appointed at Westlock in accordance with the principles outlined in (1) and it was not considered necessary to appoint another solicitor at Barrhead, which is only about 26 miles from Westlock.

Farmers borrowing from the corporation may select any solicitor of their choice for their own share of the legal work with respect to their loans. The corporation's share of the legal work with respect to loans in the Barrhead area is attended to by the corporation's solicitor at Westlock, rather than at Edmonton.

EXPENDITURES ON BUTTER AND MILK SUBSIDIES

Question No. 690—**Mr. Rondeau:**

1. Since 1954, what losses have been incurred by the federal government in connection with the sale, purchase, conversion, storage and transportation of butter and derivatives including milk powder and butter oil in (a) Canada (b) Ontario (c) Quebec and, (d) the county of Shefford?

2. How much money has the federal government spent in (a) Canada (b) Ontario (c) Quebec and, (d) the county of Shefford, as a result of the 25 cent per cwt. milk subsidy, since the establishment of that subsidy?

3. How much money has the federal government spent in (a) Ontario (b) Quebec, and (c) the county of Shefford, as a result of the 12 cent per pound producers' subsidy?

Questions

Mr. Hays: 1. (a) $103,681,642 (to December 31, 1963); (b), (c) and (d) detail is not available by provinces and municipalities.

2. (a) $48,061,173.92 (to March 31, 1964); (b) $22,987,077.85 (to March 31, 1964); (c) $22,531,738.74 (to March 31, 1964); (d) $5,469,043.88 (to March 31, 1964).

3. (a) $21,154,736.53; (b) $31,913,061.23; (c) $2,759,887.37.

JUVENILE OFFENDERS IN FEDERAL PENITENTIARIES

Question No. 698—**Mr. Orlikow:**

1. How many juvenile offenders are now in federal penitentiaries?
2. In how many cases did the court have presentence recommendations from social workers, probation officers, psychiatrists, etc.?
3. What facilities, if any, are there for segregation of these juveniles from the adult inmates?

Mr. Favreau: 1. Nine (survey dated 31 December, 1963).

2. This information is not available within the department.

3. Although there are no special facilities for the segregation of juveniles, they are detained in young offenders' section or are sent to young offenders' institutions.

PSYCHOLOGISTS, PHYSICIANS, ETC. EMPLOYED IN FEDERAL PENITENTIARIES

Question No. 700—**Mr. Orlikow:**

How many of the psychologists, psychiatrists, physicians and dentists, employed by the federal government work full time at the penitentiaries and, of those who work part time, how many hours per week does each work in the penitentiaries?

Mr. Favreau:

Dentists, part time	3
Contract	5
	8
Physicians, full time	1
Part time	3
Contract	7
	11
Psychiatrists, part time	8
Contract	2
	10
Psychologists, full time	14
Part time	2
	16

Physicians and dentists, part time, work 15 hours per week. Those employed on a contract basis work full time.

Psychiatrists and psychologists, part time, work 15 hours per week while those on contract are employed on an arrangement prepared to meet the needs of the institution concerned.

VOCATIONAL TRAINING IN FEDERAL PENITENTIARIES

Question No. 701—**Mr. Orlikow:**

1. How many inmates of federal penitentiaries are now receiving training which is recognized by provincial and federal apprenticeship boards?
2. How many vacancies are there at present for vocational training instructors and school teachers in the various penitentiaries, and in what institutions do these vacancies exist?
3. How many hours does an inmate actually spend in vocational training shop per day, excluding taking counts and movement to and from place of training?

Mr. Favreau: 1. Seven hundred and forty two inmates.

2.

	Vacant Positions	
	Vocational Staff	Teachers
Dorchester penitentiary	2	0
Springhill institution	0	0
St. Vincent de Paul pen.	0	2
St. Vincent de Paul ind. annex	4	0
Federal training centre	6	0
Leclerc institution	4	0
Valleyfield institution	0	0
Kingston penitentiary	0	0
Prison for women	0	0
Collin's Bay penitentiary	3	0
Joyceville institution	0	1
Manitoba penitentiary	0	0
British Columbia penit'ry	3	0
Saskatchewan penitentiary	1	0
William Head institution	0	0
Mountain prison	0	0
Matsqui institution	0	0
Totals	23	3

3. From 6½ to 7¼ hours per day.

QUALIFICATIONS OF VOCATIONAL TRAINING INSTRUCTORS IN FEDERAL PENITENTIARIES

Question No. 702—**Mr. Orlikow:**

What qualifications are required by the vocational training instructors and industrial instructors who are employed by the penitentiaries?

Mr. Favreau: Qualifications for vocational instructors—academic standing equivalent to high school graduation with preference to graduates from recognized technical school; proof of completion of apprenticeship and at least five years' experience in the particular trade.

Qualifications for industrial instructors—minimum of grade X education, apprenticeship or equivalent; at least five years' jour-

neyman's experience in the trade; some experience in a supervisory or administrative capacity.

COST OF ALTERATIONS, TELEVISION STATIONS CBWT AND CBWFT

Question No. 704—**Mr. Stefanson:**

1. What is the total estimated cost for the combined move, change of power video and audio, and change of channels for television stations CBWT and CBWFT?
2. What is the estimated cost of the move, and what tenders have been let?
3. What is the estimated cost of the new antenna, and what tenders have been let giving name of successful bidder and amounts?
4. How many tenders were received, from whom and what were the amounts?
5. What is the estimated cost of the building, what tenders have been let giving name of successful bidder and amount?
6. How many tenders were received, from whom and what were the amounts?
7. Is the work proceeding on schedule?
8. When is it expected that the new service will go into operation?
9. Will this changeover improve television reception for the interlake area of Manitoba and, if not, how soon can one expect action to be taken to bring about this much needed improvement?

Mr. Lamontagne: I am informed by the Canadian Broadcasting Corporation as follows:

1. $1,167,350.

2. Only item to be moved is existing CBWT transmitter which will become CBWFT. Cost of moving this included in contract for new transmitter for CBWT, which has been awarded.

3. The antenna is included in the contract for the new CBWT transmitter and moving the existing CBWT transmitter. This contract was awarded to RCA Victor Co. Ltd. under order in council PC 1963-4/960 of June 27th, 1963 and is in the amount of $479,069.

4. Tenders were received from: Canadian General Electric Co. Ltd.; Canadian Marconi Company; Northern Electric Co. Ltd.; RCA Victor Co. Ltd. Some submitted more than one proposal and the amounts were: $455,855; $499,812; $560,476; $569,334; $581,335; $605,-750; $612,876. Lowest not acceptable as it produced only 81 kw ERP (effective radiated power) as opposed to specified 100 kw for CBWT. Next lowest accepted and reduced to $479,069 as a result of some technical changes.

5. Estimated cost of building, $78,500. Contract for building awarded to Rowland Claydon & Co. Ltd. in the amount of $81,284.

6. Four tenders received, from: Commonwealth Construction Co. Ltd.; Pearson Construction Co. Ltd.; Rowland Claydon & Co. Ltd.; Surety Construction Co. Ltd. The amounts were: $81,284; $82,810; $87,263; $87,925.

7. Yes.

8. October 1964.

9. It is anticipated that some areas of the interlake region will receive an improved service, but it is not possible to guarantee reception in specific areas. The corporation intends to conduct a survey of reception in the area following the completion of the proposed changes. The results of this survey will be used to determine what action if any should be taken.

DISMISSAL OF POSTMISTRESS, RIVIÈRE AU RENARD, QUE.

Question No. 710—**Mr. Martineau:**

1. Does the Post Office Department intend to dismiss Miss Hattie English as postmistress at Rivière au Renard, Quebec and, if so, for what reason?
2. Has an inquiry been held on the alleged reasons for such a dismissal and, if so, will a report of the inquiry be tabled in the house?
3. For how many years has this person held the position of postmistress at the abovementioned location?
4. Was the inquiry, if any, conducted by the civil service commission?

[*Translation*]

Answer: 1. Yes, the Post Office Department advised Miss Hattie English that she would be dismissed as postmistress at Rivière au Renard for violating section 61 of the Civil Service Act.

2. Yes, by a commissioner appointed under the Inquiries Act. The findings of the commissioner's report show that Miss English indulged in political activities. The report will be tabled if the house so orders.

3. Twenty years.

4. See No. 2.

[*Text*]

FARM CREDIT CORPORATION SOLICITORS, SASKATCHEWAN

Question No. 715—**Mr. Rapp:**

1. How many solicitors have been appointed to the Farm Credit Corporation for the province of Saskatchewan?
2. What are the names and addresses of these solicitors?
3. How many of these solicitors were appointed prior to April 8, 1963 and, what are their names and addresses?
4. How many of these solicitors were appointed after April 8, 1963 and, what are their names and addresses?

Mr. Hays: 1. 20.

2. Bilinski, Rudolph S., Humboldt; Conroy and Son, J. N., North Battleford; Dielschneider, P. J., Melville; Donnelly, Polley and Krueger, Swift Current; C. L. B., Estey Q.C., Saskatoon; Gale, J. N., Melfort; Goodall, W. J., Regina; Grant, Lloyd L., Swift Current; Harradence J. H. C., Prince Albert; Johnson, F. W., Regina; MacDonald, A., Rosetown; MacLean R. A., Gravelbourg; MacLean, R. A.,

Assiniboia; Maher, John H., North Battleford; McKercher, R. H., Saskatoon; Milliken, J. D., Yorkton; Noble, G. E., North Battleford; Paulson, Walter, Wynyard; Shepherdson, W. J. E., Estevan; Vancise, W. J., Regina.

3. Bilinski, Rudolph S., Humboldt; MacLean, R. A., Assiniboia; Noble, G. E., North Battleford; Paulson, Walter, Wynyard.

4. Conroy and Son, J. N., North Battleford; Dielschneider P. J., Melville; Donnelly, Polley and Krueger, Swift Current; C. L. B., Estey, Q.C., Saskatoon; Gale, J. N., Melfort; Goodall, W. J., Regina; Grant, Lloyd L., Swift Current; Harradence, J. H. C., Prince Albert; Johnson, F. W, Regina; MacDonald, A., Rosetown; MacLean, R. A., Gravelbourg; Maher, John H., North Battleford; McKercher, R. H., Saskatoon; Milliken, J. D., Yorkton; Shepherdson, J. D., Estevan; Vancise, W. J., Regina.

TENDERS FOR R.C.M.P. AUTOMOBILES, BRANDON, MAN.

Question No. 724—**Mr. Dinsdale:**

1. Has the R.C.M.P., Brandon detachment, requested tenders for new automobiles this year?
2. What firms have been invited to tender?
3. What firms were invited to tender on R.C.M.P. vehicles in Brandon during the years 1957 to 1963?

Mr. Favreau: 1. Yes, for one automobile.

2. All bona fide dealers representing Chrysler Canada Limited, Ford Motor Company of Canada Limited, and General Motors Products of Canada Limited.

3. 1957: Victoria Motors Limited, Brandon, Man.; Western Motors Limited, Brandon, Man.; Binkley Motors Limited, Mrandon, Man.; Canadian Motors Limited, Brandon. Man.

1958: Wilton Motors Limited, Brandon, Man.; Canadian Motors Limited, Brandon, Man.; Binkley Motors Limited, Brandon, Man.; Western Motors Limited, Brandon, Man.; Brandon Automobiles, Brandon, Man.; McCulloch's Automobiles, Brandon, Man.

1959: Wilton Motors Limited Brandon, Man.; Canadian Motors Limited, Brandon, Man.; Binkley Motors Limited, Brandon, Man.; Western Motors Limited, Brandon, Man.; Brandon Automobiles, Brandon, Man.

1960: Wilton Motors Limited, Brandon, Man.; Canadian Motors Limited, Brandon, Man.; Binkley Motors Limited, Brandon, Man.; Western Motors Limited, Brandon, Man.

1961: Wilton Motors Limited, Brandon, Man.; Canadian Motors Limited, Brandon, Man.; Binkley Motors Limited, Brandon, Man., Western Motors Limited, Brandon, Man.

1962: Wilton Motors Limited, Brandon, Man.; Canadian Motors Limited, Brandon, Man.; Binkley Motors Limited, Brandon, Man.; Western Motors Limited, Brandon, Man.

1963: Wilton Motors Limited, Brandon, Man.; Canadian Motors Limited, Brandon, Man.; Binkley Motors Limited, Brandon, Man.; Western Motors Limited, Brandon, Man.; Brandon Automobiles, Brandon, Man.; Wheat Motors Limited, Brandon, Man.; Don Gamble Limited, Brandon, Man.

*GREAT LAKES—EMERGENCY DREDGING BECAUSE OF LOW WATER LEVELS

Question No. 742—**Mr. Smith:**

In view of the low water levels in the great lakes, are any investigations or plans being undertaken by the government to ascertain the need for emergency dredging in the harbours of the great lakes to assist commercial shipping this summer?

Mr. McWilliam: Yes, particularly at harbours in lake Huron. Sounding surveys have been carried out at a number of commercial harbours and more are to be done. These are to be examined to determine to what extent dredging will provide practical solutions.

PENITENTIARY CUSTODIAL STAFF

Question No. 745—**Mr. Orlikow:**

1. Is remunerative recognition given to professional penitentiary staff who have qualifications exceeding the minimum requirements of the penitentiary service?
2. Are there monetary incentives provided for custodial staff in our penitentiaries to improve their education and training for greater proficiency in job performance?
3. Do all custodial officers in our correctional institutions receive training in the behavioural sciences by qualified professional staff?
4. Does the federal government contemplate the provision of training grants and bursaries for its employees in the field of correction and welfare in view of the fact that moneys are now made available to the provinces for similar training in these fields?

Mr. Favreau: 1. No.

2. No.

3. Basic instruction in behavioural sciences is included in the training program for custodial officers.

4. This matter is under active consideration at this time.

UNEMPLOYMENT INSURANCE CLAIMS, RIVIÈRE DU LOUP, QUE.

Question No. 758—**Mr. Dionne:**

1. What was the number of appeals to the council of referees from claimants to the unemployment insurance commission office at Rivière du Loup in 1963?
2. How many decisions, out of the number of appeals, were amended?
3. How many decisions were maintained?
4. What was the amount overpaid to claimants who were not qualified according to the provisions of the act?

5. What was the number of claimants disqualified from receiving benefits for voluntarily leaving employment?

6. What was the number of claimants disqualified from receiving benefits for refusing to accept employment offered?

7. What was the total number of unemployed claimants at the Rivière du Loup office of the commission in 1963?

8. What are the results to date of negotiations started by the Canadian government representatives with a view to concluding an agreement with American authorities, aimed at qualifying Canadian workers for unemployment benefits in American territory, particularly in the states of Maine and New Hampshire?

9. How many workers 45 years of age or over have been employed within the district covered by the national employment office of Rivière du Loup, under the program for the encouragement of the employment of older workers?

10. Which employers in that area benefited from the program?

11. Has the government studied the possibility of extending the period during which such older workers can be hired beyond March 31, 1964?

12. What were the conclusions of the study made by the labour department on the advisability of extending the period of winter works until May 30 in areas having a severe climate?

Mr. MacEachen: 1. 518.

2. 84.

3. 434.

4. This information is not available.

5. 431.

6. 75.

7. The number of active claimants on the last day of each of the months named, was as follows: January, 5,630; February, 6,764; March, 6,840; April, 5,349; May, 1,193; June, 721; July, 575; August, 519; September, 512; October, 843; November, 1,452; December, 3,377.

8. Negotiations have been carried on over a long period with the states of Maine and New Hampshire, with a view to establishing reciprocal arrangements with them respecting unemployment insurance as has been done with almost all the other states. Toward the end of 1963 the employment security commission of the state of Maine informed the government that it is not prepared to enter into such an arrangement and it is understood there is no disposition on the part of New Hampshire to do so either.

9. Statistics on this program are only available on a provincial basis. 407 workers aged 45 and over were employed, under the program in the province of Quebec, as at March 31, 1964.

10. Names of employers are not available.

11. The program was initiated on an experimental basis. The results of the program will take a number of months to evaluate.

12. That an extension beyond April 30, 1964 was not warranted as a result of climatic conditions.

LOCAL SEAT OF GOVERNMENT, NANAIMO, B.C.

Question No. 766—**Mr. Prittie:**

1. Is there an installation known as "The local seat of government" at or near Nanaimo, B.C.?

2. Was this established under the Emergency Measures Act?

3. Is this installation manned at all times and, if so, how many persons are on duty and what is their rank and authority?

Mr. Drury: Emergency measures organization.

1. There is no installation by that name at or near Nanaimo. There is, however, a regional emergency government headquarters near Nanaimo to provide facilities in an emergency for representatives of both the federal and provincial governments.

2. There is no act with this title. The regional emergency government headquarters was built as part of the federal government's program for the decentralization of government in the event of an emergency.

3. Because the installation of equipment is still proceeding this headquarters is not yet manned. The Department of National Defence makes provision for the necessary security arrangements while this work is in progress.

BUSINESSES ESTABLISHED IN DESIGNATED AREAS

Question No. 768—**Mr. Stenson:**

Of the 34 manufacturing businesses that have been established in Canada in designated areas, how many have established in (a) each province, (b) Windsor, Ontario (c) Brantford, Ontario?

Answer: Of the 34 new businesses which are being established in Canada with the declared intention of benefiting from the designated area tax incentives program, the breakdown is as follows:

(a) Provincial	
Alberta-British Columbia	1
New Brunswick	2
Nova Scotia	3
Ontario	17
Quebec	11
Total	34

(b) Windsor, Ontario, 2

(c) Brantford, Ontario, 10.

*NAME FOR C.B.C. HEADQUARTERS BUILDING, OTTAWA

Question No. 769—**Mr. Chrétien:**

1. Has the Canadian Broadcasting Corporation chosen a name for its new headquarters building in the city of Ottawa?

2. Has the corporation given thought to naming it after John F. Kennedy, the assassinated president

of the United States, a public figure greatly admired by Canada's youth?

3. If not, will the corporation consider this suggestion?

Mr. Stewart: I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes. It is called the C.B.C. Building—L'Édifice Radio Canada.

2. The suggestion was considered but not accepted for the following reasons: The building is situated on Confederation Heights, the title and purpose of which are commemorative of the beginnings of Canadian nationhood and independence. The C.B.C. itself arose out of a Canadian need, the need to make the art and science of broadcasting help the cause of Canadian nationhood. The late President Kennedy was a great American, admired, respected and deeply mourned in this country. But it would appear to be inappropriate to use his name in the title of the head office building of a Canadian corporation created to provide Canadians with a national broadcasting service which is distinctively Canadian.

3. See 2 above.

DOMINION OBSERVATORY IN WESTERN CANADA

Question No. 773—**Mr. Lambert:**

1. Is it the intention to establish a new dominion observatory in western Canada, and especially in either the provinces of Alberta or British Columbia and, if so, has a decision been reached as to a specific locality?

2. What are the essential conditions which go to determine a suitable location?

3. What would be the estimated cost of constructing such an observatory, and how long would it take?

Mr. Benidickson: 1. The Department of Mines and Technical Surveys is presently studying a proposal put forward by the dominion observatory to build a large optical telescope of at least 150 inches in diameter, in that region of the country best suited to astronomical observations. If constructed, it is planned that this new equipment would be available on equitable terms to astronomers from every province of Canada. The specific site of the proposed telescope has not yet been chosen. However, the requirement for high altitude has limited the search to the mountainous regions of the country and more particularly to the southern parts of British Columbia and Alberta.

2. The site of a large optical telescope must be high enough to be above local dust and disturbed air (usually 6,000 to 7,000 feet). It must be in a region not subject to rapidly moving weather fronts, to great extremes of temperature, and to much auroral activity, and it must be well away from industrial development and large population centres. Low rainfall and clear skies are essential as well as steady and transparent air. These factors, however, serve only to limit the search and final selection must be made on the basis of optical tests.

3. The capital cost of such an observatory is estimated to be $9,671,000 spread over a period of six to seven years.

REVISION OF GRAIN GRADING METHOD

Question No. 776—**Mr. Rapp:**

Is a re-examination of Canada's grain-grading system being made with a view to bringing it into line with grain grading procedures in other countries and, if so, when is it likely that such a revised grain grading method will be introduced?

Mr. Hays: Inasmuch as Canada's grain grading system is acknowledged to be superior there is no consideration being given to bringing it into line with grading procedures in other countries. However, with the rapidly changing technology in the baking industry in consuming countries, which require somewhat different qualities in the grain that goes into the end product than heretofore, it is felt that a careful and thorough examination of all that is involved in grading grain, particularly wheat, is desirable. Consideration is at present being given to undertaking such a study.

HOSPITAL CONSTRUCTION GRANTS, ALBERTA

Question No. 777—**Mr. Horner (Jasper-Edson):**

1. How much money has been paid to the province of Alberta under the hospital construction grants program in each of the past ten years?

2. In the past three years, what amount in construction grants has been paid to the province of Alberta for auxiliary hospitals?

3. What is the location of each hospital and the amount of money spent on each hospital under the hospital construction grants program in each of the past five years?

Miss LaMarsh: 1. 1954-55, $807,646; 1955-56, $977,193; 1956-57, $861,673; 1957-58, $629,169; 1958-59, $1,139,342; 1959-60, $402,333; 1960-61, $322,083; 1961-62, $1,328,445; 1962-63, $1,694,021; 1963-64, $1,837,110.

2. $1,854,250.

3. The amount of money spent on each hospital in Alberta under the hospital construction grants in each of the fiscal years 1959-63 and their location can be found in the following public accounts of Canada: (a) 1959-60 part II V-16 & V-17; (b) 1960-61 section 23 pages 23.17 & 23.18; (c) 1961-62 section 23 pages 23.35 & 23.36; (d) 1962-63 section 23 pages 23.35 & 23.36.

For the fiscal year 1963-64, the following funds were spent for hospitals in Alberta under the hospital construction grants:

Questions

Name and Location	Expenditure 1963-64 $
Red Deer municipal hospital, Red Deer	32,542
Grey House Guild auxiliary hospital, Edmonton	50,000
Drayton Valley municipal hospital, Drayton Valley	3,750
Willingdon general hospital, Willingdon	14,667
Wetaskiwin municipal hospital, Wetaskiwin	32,333
Royal Alexandra hospital, Edmonton	308,000
Providence hospital, High Prairie	38,667
Vulcan municipal hospital, Vulcan	5,167
Provincial mental institute, Edmonton	36,750
Provincial training school for mental defectives, Red Deer	19,778
Innisfail municipal hospital, Innisfail	4,500
Vermilion River auxiliary hospital, Lloydminster	25,000
The Dr. Dan MacCharles auxiliary hospital, Medicine Hat	50,000
Coronation municipal hospital, Coronation	3,750
Dr. A. E. Kennedy auxiliary hospital, Stettler	30,000
Wainwright-Provost auxiliary hospital, Wainwright	75,000
Smoky Lake municipal hospital, Smoky Lake	47,625
St. Michael's general hospital, Lethbridge	46,333
Calgary Foothills provincial general hospital, Calgary	62,250
Fort MacLeod municipal hospital, Fort MacLeod	9,000
Barrhead-Thorhill-Westlock auxiliary hospital, Westlock	75,000
Provost municipal hospital, Provost	12,000
Breton general hospital, Breton	57,125
Bashaw general hospital, Bashaw	57,125
Border Counties general hospital, Milk River	57,125
Stony Plain general hospital, Stony Plain	57,125
Killam general hospital, Killam	51,500
Flagstaff-Beaver auxiliary hospital, Killam	75,000
Red Deer auxiliary hospital, Red Deer	200,000
Calgary auxiliary hospital (Glenmore Park auxiliary hospital), Calgary	300,000

POST OFFICE, LITTLE BLACK RIVER INDIAN RESERVE, MAN.

Question No. 786—**Mr. Slogan:**

1. Has the Postmaster General received a petition from the residents of Little Black River Indian reserve requesting the establishment of a post office and, if so, will a post office be established on this reserve by the Post Office Department?

2. When will applications be called for the appointment of postmaster?

Mr. Nicholson: 1. Yes, a petition containing 45 names and a band resolution have been received. A survey is being carried out to determine if the establishment of a post office is justified.

2. The survey will be completed as quickly as possible. If the establishment of a post office is warranted, the question of selecting the postmaster will then be dealt with.

WINTER WORKS PROGRAM

Question No. 811—**Mr. Starr:**

Under the municipal winter works program (a) how many applications were received (i) at April 17, 1964 (ii) at April 17, 1963 (b) how many applications were accepted (i) at April 17, 1964 (ii) at April 17, 1963 (c) how many applications were rejected, pending or withdrawn (i) at April 17, 1964 (ii) at April 17, 1963 (d) what was the estimated total cost of projects (i) at April 17, 1964 (ii) at April 17, 1963 (e) what was the estimated total direct payroll cost of projects (i) at April 17, 1964 (ii) at April 17, 1963 (f) what was the estimated cost of projects during period of program (i) at April 17, 1964 (ii) at April 17, 1963 (g) what was the estimated direct payroll cost of projects during period of program (i) at April 17, 1964 (ii) at April 17, 1963 (h) what was the percentage of payroll cost to total cost during period of program (i) at April 17, 1964 (ii) at April 17, 1963 (i) what was the estimated federal government share of direct payroll costs (i) at April 17, 1964 (ii) at April 17, 1963 (j) what was the estimated number of men to be hired during period of program (i) at April 17, 1964 (ii) at April 17, 1963 (k) what was the estimated man days work to be provided during period of program (i) at April 17, 1964 (ii) at April 17, 1963 (l) what was the number of participating local authorities (i) at April 17, 1964, (ii) at April 17, 1963?

Mr. MacEachen:

DEPARTMENT OF LABOUR—CANADA

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM 1963-64

Cumulative Report Week Ending April 17, 1964

	Canada	B.C.	Alta.	Sask.	Man.	Ont.	Que.	N.B.	N.S.	P.E.I.	Nfld.	Yukon	N.W.T.	Indian Bands
Applications received.....	7,343	645	749	1,069	308	1,340	2,723	169	53	83	104	1	25	74
Applications accepted.....	7,244	641	749	1,056	301	1,329	2,664	169	51	81	104	1	25	73
Applications rejected, pending or withdrawn.....	99	4	0	13	7	11	59	0	2	2	0	0	0	1
Estimated total cost of projects.....	387,982	28,767	26,975	19,016	32,709	115,138	157,236	3,282	1,471	1,170	1,798	5	87	328
Estimated total direct payroll cost of projects.....	125,677	11,219	8,351	6,765	9,243	30,808	56,339	1,041	420	490	690	3	80	228
Estimated cost of projects during period of program.	276,310	23,091	21,498	14,361	16,986	73,703	120,453	2,208	1,344	1,088	1,159	4	87	328
Estimated direct payroll cost of projects during period of program.....	96,662	9,468	6,854	5,371	5,233	19,151	48,118	845	364	466	481	3	80	228
Percentage of payroll cost to total cost during period of program.....	35.0	41.8	31.9	37.2	30.8	25.9	39.9	38.2	27.1	42.8	41.5	75.0	91.9	69.5
Estimated federal government share of direct payroll costs.....	51,197	4,791	3,431	2,616	2,626	9,801	26,517	488	201	280	288	2	40	116
Estimated number of men to be hired during period of program.....	161,360	7,777	11,073	14,692	5,020	20,002	95,512	1,871	564	1,440	1,804	10	298	1,297
Estimated man-days work to be provided during period of program.....	6,721,176	495,563	453,373	408,026	329,994	1,059,224	3,764,104	72,125	27,001	36,178	47,355	126	5,302	22,805
Participating local authorities.....	2,734	150	209	516	76	349	1,182	71	23	43	47	1	14	53

N.B.—Cost figures shown in thousands of dollars.

DEPARTMENT OF LABOUR—CANADA

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM 1962-63

Cumulative Report Week Ending April 19, 1963

	Canada	B.C.	Alta.	Sask.	Man.	Ont.	Que.	N.B.	N.S.	P.E.I.	Nfld.	Yukon	N.W.T.	Indian Bands
Applications received.....	7,543	759	883	1,422	334	1,466	2,181	167	56	54	113	1	22	85
Applications accepted.....	7,477	756	880	1,412	322	1,461	2,152	164	56	53	113	1	22	85
Applications rejected, pending or withdrawn..	66	3	3	10	12	5	29	3	0	1	0	0	0	0
Estimated total cost of projects.....	377,337	30,832	32,093	19,774	20,869	123,415	141,586	2,811	1,547	652	3,370	7	42	339
Estimated total direct payroll cost of projects.....	112,299	11,605	9,944	6,469	5,292	32,737	43,349	933	456	183	1,048	3	38	242
Estimated cost of projects during period of program.	279,700	27,237	27,391	14,511	11,559	81,692	110,751	2,422	1,071	649	2,040	7	42	328
Estimated direct payroll cost of projects during period of program.....	86,768	10,482	8,707	4,938	3,140	21,259	35,952	826	301	180	700	3	38	242
Percentage of payroll cost to total cost during period of program.....	31.0	38.5	31.8	34.1	27.3	26.0	32.5	34.1	28.1	27.7	34.3	42.8	90.5	73.8
Estimated federal government share of direct payroll costs.....	42,977	5,220	4,248	2,468	1,565	10,557	17,774	413	151	90	350	1	19	121
Estimated number of men to be hired during period of program.....	133,455	9,079	13,251	17,584	4,614	21,779	60,784	1,633	596	659	1,804	5	259	1,408
Estimated man-days work to be provided during period of program.....	5,879,597	573,889	574,347	390,552	216,979	1,251,689	2,661,058	70,329	28,201	17,420	64,673	110	2,590	27,760
Participating local authorities.....	2,588	150	227	558	84	378	959	53	28	33	44	1	10	63

N.B.—Cost figures shown in thousands of dollars.

Questions

RETRAINING OF UNEMPLOYED WORKERS

Question No. 813—**Mr. Starr:**

1. How many completed their training under the retraining of unemployed workers plan during the year 1963?
2. How many completed their training under the retraining of unemployed workers plan during the year 1962?

Mr. MacEachen: 1. 32,825 persons were enrolled under program 5, training for unemployed, in 1963, 17,627 persons completed their training that year and 9,928 persons were still in training at the end of that year.

2. 27,895 persons were enrolled under program 5, training for the unemployed, in 1962, 13,753 persons completed their training that year, 7,778 persons were still in training at the end of the year.

LETTER CARRIER SERVICE, WEYBURN, SASK.

Question No. 822—**Mr. Watson (Assiniboia):**

1. When was a survey last made in the city of Weyburn by the Post Office Department with a view to implementing letter carrier service?
2. What was the result of that survey?
3. When is it expected that letter carrier service will be commenced?

Mr. Nicholson: 1. The last survey was in January 1964.

2. It indicated that there were 2,375 calls available for letter carrier delivery service.

3. When the city has developed to the extent that there are 2,500 available calls in a compact area.

TAX DEDUCTIONS FOR CHARITABLE DONATIONS

Question No. 829—**Mr. Laprise:**

Has the Minister of National Revenue instructed taxation offices to disregard the regulation entitling taxpayers to claim a deduction not exceeding 10 per cent of their income for charitable donations?

Mr. McIlraith: No. Offices of the taxation division are instructed to allow claims for donations made to charitable organizations to the extent permitted by the Income Tax Act.

JAPANESE TRADE FAIR—NON-PARTICIPATION BY CANADA

Question No. 835—**Mr. Enns:**

Since the U.S.A., Australia, Italy, and West Germany, are participating in the international trade fair at Osaka, Japan this spring, for what reason is Canada not taking part in this fair?

Answer: In recent years there has been some liberalization of imports to Japan in a number of commodity groups. As a result new opportunities have opened for the sale of Canadian manufactured products, making it possible for the government to resume participation in the Japanese international trade fair which is held alternately in Osaka and Tokyo. However, because Canada's trade fair program is planned approximately 18 months in advance, it was impractical to schedule a Canadian exhibit before next year when the fair will be held in Tokyo.

EXTENSION TO CHARLES CAMSELL HOSPITAL, EDMONTON

Question No. 838—**Mr. Lambert:**

1. Has a definite date been set for the calling of tenders for the extension to the Charles Camsel hospital in Edmonton, Alberta and, if so, what is this date, and what is the date of closing of the tender period?
2. Assuming usual procedures, what would be the anticipated date of commencement of work in the light of the answer to part 1?

Miss LaMarsh: 1. No. The department understands that the consultant architects are now completing working drawings and specifications which will be submitted to the Department of Public Works for incorporation into tender documents.

2. Not known at this time.

FLOODING OF HISTORIC SITE, MEDUCTIC, N.B.

Question No. 845—**Mr. Flemming (Victoria-Carleton):**

1. Is the historic site of Meductic, New Brunswick, in Carleton county to be flooded and thus destroyed by the construction of the Mactaquac dam?
2. Has the report of a departmental archeologist been secured relative to the effect of said dam on the archeological treasures considered by experts to be available by excavation and intensive search?
3. Has the approval of the historic sites and monuments board of Canada been sought in connection with the construction?

Mr. Laing: 1. Yes.

2. Excavation of Fort Meductic is to be undertaken this summer by a professional team of archeologists under contract to the New Brunswick Electric Power Commission. An intensive survey of the proposed reservoir to be created by the dam will also be made before the land is flooded in 1966. Officials of the historic sites division of the national parks branch of the Department of Northern Affairs and National Resources, and of the human history branch of the national museum of Canada are helping to arrange both programs.

3. No; the historic sites and monuments board has no jurisdiction over the site.

BRITISH COLUMBIA PHARMACY ACT BY-LAW

Question No. 851—**Mr. Mather:**

Has the Department of Justice (or government) received a petition calling for an investigation of by-law 44(7) of the pharmacy act as enacted by order in council by the government of British Columbia and, if so, what action is being taken on the petition?

Mr. Macdonald: Yes. The information received is being considered by the director of investigation and research, Combines Investigation Act, to determine whether the situation is such as to warrant formal inquiry under the act. Since the letter was received, however, it has been confirmed that a private action has been instituted in the supreme court of British Columbia challenging the validity of the above regulations or by-laws and the director will of course have to take note that the matter is at present sub judice.

C.B.C. BUILDING SITE, TORONTO

Question No. 862—**Mr. Moreau:**

1. Did representatives of the city of Toronto meet with the Secretary of State on February 5, and other cabinet members to discuss an alternate site for the C.B.C. rather than the site already acquired in York-Scarborough?

2. Was it understood that the city of Toronto was to have six weeks to prepare a proposal to the government for consideration?

3. Have any such proposals been received and, if not, will the C.B.C. now proceed with the Don Mills site?

Mr. Lamontagne: 1. Yes.

2. The representatives of the city of Toronto were asked to prepare and submit their proposals to the C.B.C. for consideration.

3. I am informed by the C.B.C. that consultations with the city of Toronto representatives are continuing.

QUESTIONS PASSED AS ORDERS FOR RETURNS

QUEBEC—FEDERAL TAXES AND EXPENDITURES

Question No. 124—**Mr. Bélanger:**

1. What amounts has the federal government collected in the province of Quebec in 1962, in sales tax, income tax, customs duties, excise tax and from other sources?

2. What amounts has the federal government spent in the province of Quebec in 1962, for public works, welfare, subsidies or for other purposes?

COST OF ROYAL COMMISSIONS

Question No. 247—**Mr. Dinsdale:**

1. What was the total cost of the royal commission on (a) Indian affairs (1946) (b) Japanese property losses (1947) (c) veterans' pensions (1947) (d) Fraser valley relief (1948) (e) prices (1948) (f) government organization (1960), and (g) the committee of inquiry into the Unemployment Insurance Act (1961)?

2. What are the costs to date and projected costs of the royal commission on (a) health services (1961) (b) banking and finance (1961) (c) taxation (1962) (d) pilotage (1962)?

TOTAL CANADIAN DEBT

Question No. 252—**Mr. Mather:**

What is the approximate total of Canadian federal, provincial, municipal and private debt?

CANADIAN DEBTS BY CATEGORIES

Question No. 255—**Mr. Caouette:**

What are the latest available statistics on (a) Canada's gross debt and net debt (b) the gross debt and net debt of each province (c) the gross debt and net debt of municipalities (d) the gross debt and net debt of school boards (e) the gross debt and net debt of crown corporations (f) debts owed by Canadians to finance companies for consumer goods (g) debts owed by Canadians for purchases of commercial goods (h) debts owed by Canadians on mortgage loans (i) debts owed by Canadians to banks and credit unions for personal loans (j) debts owed by Canadians to small loan companies (k) debts owed by Canadians for installment purchases (l) total Canadian indebtedness to the United States (m) total Canadian indebtedness to overseas governments (n) gross national product (o) total currency in circulation (p) total of banknotes and coins in circulation?

CONTRACTS TO CANADAIR LIMITED

Question No. 275—**Mr. Howard:**

1. Since January 1, 1962, have any contracts been awarded to Canadair Limited and, if so, with respect to each such contract, what is (a) its nature (b) its date of completion (c) the amount thereof (d) the number of employees (i) actual or (ii) estimated employed in the fulfilment of the contract (e) the number of man hours of employment (i) actual or (ii) estimated consumed in the fulfilment of the contract (f) the ratio between the number of (i) employees or (ii) man hours of employment and the total number of employees or man hours of employment effective at Canadair?

2. As a result of government activities, is any increase in employment forecast for Canadair for the next six months and, if so, what is this forecast expressed in terms of employees and man hours, both absolute and as a ratio to the total work force?

3. Does the government plan any additional steps to ensure that the number of hourly paid employees at Canadair is increased and, if so, what in detail are these steps?

CONTRACTS TO FAIREY AVIATION CO.

Question No. 278—**Mr. Howard:**

1. Since January 1, 1962, have any contracts been awarded by any federal government department of agency to Fairey Aviation Ltd., at Dartmouth, N.S. or Pat Bay, B.C. on a cost plus basis and, if so, what were the contracts for, their amount, and the date each contract was awarded?

2. What contracts, other than those referred to in part 1, have been awarded by any federal government department or agency to Fairey Aviation Ltd., Dartmouth, N.S. and Pat Bay, B.C. since January 1, 1962, listed by the amount, the date each contract was awarded and the nature of the contract?

3. If tenders were called what was the name of the unsuccessful company or companies and the amount of each bid?

FEDERAL FUNDS ALLOCATED TO UNIVERSITY STUDENTS

Question No. 303—**Mr. Langlois:**

1. From December 1961 to December 1962, how much money has the federal government allocated to university students (a) in Canada (b) in the province of Quebec?

2. What has been the amount received in the case of each university in 1962 and 1963?

3. What are the specific purposes, if any, of such scholarships or grants?

*LETTERS AND PETITIONS FAVOURING DISTINCTIVE FLAG

Question No. 329—**Mr. Marcoux:**

1. How many letters and petitions has the government received since April 8, 1963 in favour of a truly distinctive flag for Canada?
2. How many signatures did these letters and petitions bear?

PRINTING CONTRACTS TO PRIVATE FIRMS

Question No. 350—**Mr. Latulippe:**

In 1962-63, how many private firms were awarded contracts or orders by the department of public printing and stationery, and what were the amounts in each case?

Return tabled.

CONTRACTS LET WITHOUT TENDERS

Question No. 373—**Mr. Boulanger:**

What is the total amount of all the contracts awarded or orders placed without public tenders, between April 21, 1962 and April 21, 1963, for each individual government department and crown corporation?

CONTRACTS WITH TANDY-RICHARDS ADVERTISING LTD.

Question No. 407—**Mr. Smith:**

Has the firm of Tandy-Richards Advertising Limited been hired or given any public relations contract or work by any government agency, crown corporation or government department since April 8, 1963 and, if so, what contracts and at what value?

LEGAL ADVISERS, FARM CREDIT CORPORATION

Question No. 451—**Mr. Jorgenson:**

1. How many legal advisers were engaged by the Farm Credit Corporation to process loans approved by the corporation prior to April 22, 1963?
2. How many of these advisers have been replaced since April 22, 1963?
3. By provinces (a) what were the names and addresses of the legal advisers whose services were discontinued (b) the names and addresses of the advisers appointed to replace each?

Return tabled.

BUTTER STORAGE AND FARM LOANS, LOTBINIÈRE COUNTY, QUE.

Question No. 526—**Mr. Caouette:**

1. How much has the government spent in Lotbinière county since January 1, 1963, under the butter subsidy program (at 12 cents per pound)?
2. Since October 31, 1963, (a) how many pounds of butter have been stored in the constituency of Lotbinière (b) what is the market value of this butter (c) what have been the total storage charges (d) what private organizations or individuals store this butter in the constituency of Lotbinière (e) when did each of these organizations get into business?
3. For each of the years 1962 and 1963, and since January 1, 1964, (a) how many requests for farm loans did the government recieve from Lotbinière county (b) how many loans were approved (c) what is the total amount of loans approved?

MOTIONS FOR PAPERS

COLLECTIVE BARGAINING FOR PUBLIC SERVANTS

Motion No. 21—**Mr. Smallwood:**

That an order of the house do issue for a copy of all letters, memoranda or other documents forwarded since April 22, 1963, by any member of parliament representing an electoral district in the national capital region, to the Prime Minister, the Minster of Finance, the Secretary of State or any official of these departments or to the civil service commission on the subject of collective bargaining for public servants.

Order discharged and motion withdrawn.

OTTAWA—FEDERAL BUILDINGS ON EXPERIMENTAL FARM

Motion No. 22—**Mr. Smallwood:**

That an order of the house do issue for a copy of any letters, memoranda or other documents addressed since April 22, 1963 to the Prime Minister, the Minister of Public Works, the Minister of Agriculture or any official of these departments by any member of parliament representing an electoral district in the national capital region on the subject of the location of a new headquarters building for the Department of Agriculture or on the subject of the use of the central experimental farm for additional buildings.

Order discharged and motion withdrawn.

CORRESPONDENCE BETWEEN LUC-GILBERT LESSARD AND VETERANS AFFAIRS DEPARTMENT

Motion No. 47—**Mr. Langlois:**

That an order of the house do issue for a copy of all correspondence, letters, telegrams or other documents exchanged between maitre Luc-Gilbert Lessard, of Black lake, Mégantic county, and the Minister of Veterans Affairs or the deputy minister or any officials of his department, since March 1, 1963.

Motion agreed to.

REPRESENTATIVE LISTS OF SUPPLIERS

Motion No. 78—**Mr. Nielsen:**

That an order of the house do issue for a copy of the representative list and/or representative lists of suppliers (now in use) as defined by paragraph 2 (e) (ii) of the government contracts regulations being P.C. 1954-1971 dated December 16, 1954 from each department of the government.

Order discharged and motion withdrawn.

REPORT UNDER GOVERNMENT CONTRACTS REGULATIONS

Motion No. 79—**Mr. Nielsen:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of any report made to the governor in council or to the treasury board (since April 8, 1963) pursuant to paragraph 3 (4) of the government contracts regulations being P.C. 1954-1971 dated December 16, 1954.

Order discharged and motion withdrawn.

REPORTS TO TREASURY BOARD UNDER CONTRACTS REGULATIONS

Motion No. 80—**Mr. Nielsen:**

That an order of the house do issue for a copy of every report made by any contracting authority as defined in paragraph 2 (c) of the government contracts regulations (since April 8, 1963) to the treasury board as required by paragraph 8 of the government contracts regulations.

Motion agreed to.

REPORTS TO TREASURY BOARD UNDER CONTRACTS REGULATIONS

Motion No. 81—**Mr. Nielsen:**

That an order of the house do issue for a copy of every report made by any contracting authority as defined in paragraph 2 (c) of the government contracts regulations (since April 8, 1963) to the treasury board as required by paragraph 11 of the government contracts regulations.

Motion agreed to.

SERVICE CONTRACTS LET WITHOUT TREASURY BOARD APPROVAL

Motion No. 84—**Mr. Nielsen:**

That an order of the house do issue for a return showing:—

1. What service contracts have been entered into by or on behalf of the government by any contracting authority as defined by paragraph 2 (c) of the government contracts regulations being P.C. 1954-1971 dated December 16, 1954, since April 8, 1963, without the approval of treasury board for engineering, architectural or related or similar services?

2. Where the amount payable under such contract did not or does not exceed $15,000, (a) by whom was the contract awarded (b) to whom was the contract awarded (c) what method was used to select the contractor (d) what factors determined the selection of the contractor (e) what was the amount payable under the contract (f) where tenders were invited, were such tenders invited by public advertisement or from a representative list or lists (g) where tenders were invited, how many were invited and from whom and how many received and from whom in each case (h) where tenders were invited from a representative list or lists, what method was used to select the name or names of those invited to tender (i) where tenders were invited from a representative list or lists, what factors determined the selection of those invited to tender (j) in each case, where was the service to be performed (k) in each case was an opinion, suggestion or recommendation sought by the contracting authority or any person on behalf thereof from any defeated Liberal candidate or any person in any way associated with any Liberal organization in Canada; and, if so, by whom was such opinion, suggestion or recommendation sought and from whom was such opinion, suggestion or recommendation given and in each case was the same verbal or written?

3. (a) What is the answer to (1) above in the case of service contracts for the hire of equipment to be used in or incidental to the execution of a work (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in the answer to 3 (a)?

4. (a) What is the answer to (1) above in the case of service contracts for advertising or related or similar services (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in the answer to 4 (a) where the amount payable under the contract did not or does not exceed $5,000?

5. (a) What is the answer to (1) above in the case of service contracts for transportation services, or the hire or charter of vehicles, vessels or aircraft; (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 5 (a), (i) where the service was or is to be furnished or performed by a common carrier at a rate not in excess of standard rates (ii) where the amount payable under the contract did not exceed $15,000 and the service was or is to be furnished or performed by persons other than common carriers at a rate in excess of standard rates (iii) where the service was or is to be furnished or performed under a charter of hire contract and the amount payable thereunder did not or does not exceed $15,000?

6. (a) What is the answer to (1) above in the case of service contracts for the supply of electricity, gas, water or heat (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 6 (a)?

7. (a) What is the answer to (1) above in the case of service contracts for stenographic, reporting or related or similar services (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 7 (a) where the amount payable under the contract did not or does not exceed $1,000?

8. (a) What is the answer to (1) above in the case of service contracts for maintenance services, including cleaning, road clearing and snow, garbage and waste removal or disposal (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 8 (a) where the amount payable under the contract did not or does not exceed $5,000?

9. (a) What is the answer to (1) above in the case of service contracts for maintenance and inspection of elevators (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 9 (a)?

10. What is the answer to (1) above in the case of service contracts for the repair, overhaul, and refitting of vehicles, aircraft, and equipment, other than office equipment (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 10 (a)?

11. (a) What is the answer to (1) above in the case of (i) telecommunication services (ii) radio telephone services (iii) the rental of telecommunition equipment (iv) the rental of short or local lines (v) the rental of long lines; (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 11 (a)?

12. Were any service contracts specified in paragraphs 1, 3, 4, 5, 6, 7, 8, 9, 10 and 11, entered into where the amount, rate or other sum payable under the contract exceeded the amount, rate or sum prescribed by part III of the government contracts regulations; and, if so, in each case, where such a contract was entered into, what is the answer to each of the questions in (2) above?

13. What service contracts, the term of which exceeds five years, have been entered into with or without the approval of treasury board and in each case what is the answer to each of the questions in (2) above?

14. What service contracts have been entered into where the amount, rate or sum payable thereunder has been increased with the approval of treasury board and, what was the amount of such increase, by whom was it authorized and why was it made?

15. What service contracts have been entered into where the amount, rate or sum payable thereunder has been increased without the approval

of treasury board and, what was the amount of the increase, by whom was the increase authorized and why was it made?

16. In the case of service contracts entered into where the amount payable thereunder was increased, in what cases were increases made in excess of the limitations prescribed by part III of the government contracts regulations and by what authority were such increases made?

Order discharged and motion withdrawn.

LISTS OF GOVERNMENT SUPPLIERS

Motion No. 87—**Mr. Lessard (St. Henry):**

That an order of the house do issue for a copy of a representative list of suppliers in use in each department of the government between April 1, 1958, and April 22, 1963, as defined in paragraph (ii) of subsection (e) of section 2 of the government contracts regulations, namely order in council P.C. 1954-1971 of December 16, 1954.

Order discharged and motion withdrawn.

SERVICE CONTRACTS WITHOUT TREASURY BOARD APPROVAL

Motion No. 88—**Mr. Watson (Chateauguay-Huntingdon-Laprairie):**

That an order of the house do issue for a return showing:

1. What service contracts have been entered into by or on behalf of the government by any contracting authority as defined by paragraph 2 (c) of the government contracts regulations being P.C. 1954-1971 dated December 16, 1954, between April 8, 1959 and April 8, 1963, without the approval of treasury board for engineering, architectural or related or similar services?

2. Where the amount payable under such contract did not or does not exceed $15,000, (a) by whom was the contract awarded (b) to whom was the contract awarded (c) what method was used to select the contractor (d) what factors determined the selection of the contractor (e) what was the amount payable under the contract (f) where tenders were invited, were such tenders invited by public advertisement or from a representative list or lists (g) where tenders were invited, how many were invited and from whom and how many received and from whom in each case (h) where tenders were invited from a representative list or lists, what method was used to select the name or names of those invited to tender (i) where tenders were invited from a representative list or lists, what factors determined the selection of those invited to tender (j) in each case, where was the service to be performed (k) in each case was an opinion, suggestion or recommendation sought by the contracting authority or any person on behalf thereof from any defeated Conservative candidate or any person in any way associated with any Conservative organization in Canada; and, if so, by whom was such opinion, suggestion or recommendation sought and from whom was such opinion, suggestion or recommendation given and in each case was the same verbal or written?

3. (a) What is the answer to (1) above in the case of service contracts for the hire of equipment to be used in or incidental to the execution of a work (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in the answer to 3(a)?

4. (a) What is the answer to (1) above in the case of service contracts for advertising or related or similar services (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in the answer to 4(a) where the amount payable under the contract did not or does not exceed $5,000?

5. (a) What is the answer to (1) above in the case of service contracts for transportation services, or the hire or charter of vehicles, vessels or aircraft, (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 5 (a), (i) where the service was or is to be furnished or performed by a common carrier at a rate not in excess of standard rates (ii) where the amount payable under the contract did not exceed $15,000 and the service was or is to be furnished or performed by persons other than common carriers at a rate in excess of standard rates (iii) where the service was or is to be furnished or performed under a charter of hire contract and the amount payable thereunder did not or does not exceed $15,000?

6. (a) What is the answer to (1) above in the case of service contracts for the supply of electricity, gas, water or heat (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 6 (a)?

7. (a) What is the answer to (1) above in the case of service contracts for stenographic, reporting or related or similar services (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 7 (a) where the amount payable under the contract did not or does not exceed $1,000?

8. (a) What is the answer to (1) above in the case of service contracts for maintenance services, including cleaning, road clearing and snow, garbage and waste removal or disposal (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 8 (a) where the amount payable under the contract did not or does not exceed $5,000?

9. (a) What is the answer to (1) above in the case of service contracts for maintenance and inspection of elevators (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 9 (a)?

10. (a) What is the answer to (1) above in the case of service contracts for the repair, overhaul, and refitting of vehicles, aircraft, and equipment, other than office equipment (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 10 (a)?

11. (a) What is the answer to (1) above in the case of (i) telecommunication services (ii) radio telephone services (iii) the rental of telecommunication equipment (iv) the rental of short or local lines (v) the rental of long lines; (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 11 (a)?

12. Were any service contracts specified in paragraphs 1, 3, 4, 5, 6, 7, 8, 9, 10 and 11, entered into where the amount, rate or other sum payable sum prescribed by part III of the government contracts regulations; and, if so, in each case, where such a contract was entered into, what is the answer to each of the questions in (2) above?

13. What service contracts, the term of which exceeds 5 years, have been entered into with or without the approval of treasury board and in each case what is the answer to each of the questions in (2) above?

14. What service contracts have been entered into where the amount, rate or sum payable thereunder has been increased with the approval of treasury board and, what was the amount of such increase, by whom was it authorized and why was it made?

15. What service contracts have been entered into where the amount, rate or sum payable thereunder has been increased without the approval of

[Mr. Nielsen.]

treasury board and, what was the amount of the increase, by whom was the increase authorized and why was it made?

16. In the case of service contracts entered into where the amount payable thereunder was increased, in what cases were increases made in excess of the limitations prescribed by part III of the government contracts regulations and by what authority were such increases made?

Order discharged and motion withdrawn.

SERVICE CONTRACTS WITHOUT TREASURY BOARD APPROVAL

Motion No. 89—**Mr. Mackasey:**

That an order of the house do issue for a return showing:—

1. What service contracts have been entered into by or on behalf of the government by any contracting authority as defined by paragraph 2 (c) of the government contracts regulations being P.C. 1954-1971 dated December 16, 1954, between June 21, 1957 and April 7, 1959, without the approval of treasury board for engineering, architectural or related or similar services?

2. Where the amount payable under such contract did not or does not exceed $15,000, (a) by whom was the contract awarded (b) to whom was the contract awarded (c) what method was used to select the contractor (d) what factors determined the selection of the contractor (e) what was the amount payable under the contract (f) where tenders were invited, were such tenders invited by public advertisement or from a representative list or lists (g) where tenders were invited, how many were invited and from whom and how many received and from whom in each case (h) where tenders were invited from a representative list or lists, what method was used to select the name or names of those invited to tender (i) where tenders were invited from a representative list or lists, what factors determined the selection of those invited to tender (j) in each case, where was the service to be performed (k) in each case was an opinion, suggestion or recommendation sought by the contracting authority or any person on behalf thereof from any defeated Conservative candidate or any person in any way associated with any Conservative organization in Canada; and, if so, by whom was such opinion, suggestion or recommendation sought and from whom was such opinion, suggestion or recommendation given and in each case was the same verbal or written?

3. (a) What is the answer to (1) above in the case of service contracts for the hire of equipment to be used in or incidental to the execution of a work (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in the answer to 3(a)?

4. (a) What is the answer to (1) above in the case of service contracts for advertising or related or similar services (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in the answer to 4(a) where the amount payable under the contract did not or does not exceed $5,000?

5. (a) What is the answer to (1) above in the case of service contracts for transportation services, or the hire or charter of vehicles, vessels or aircraft, (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 5 (a), (i) where the service was or is to be furnished or performed by a common carrier at a rate not in excess of standard rates (ii) where the amount payable under the contract did not exceed $15,000 and the service was or is to be furnished or performed by persons other than common carriers at a rate in excess of standard rates (iii) where the service was or is to be furnished or performed under a charter of hire contract and the amount payable thereunder did not or does not exceed $15,000?

6. (a) What is the answer to (1) above in the case of service contracts for the supply of electricity, gas, water or heat (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 6 (a)?

7. (a) What is the answer to (1) above in the case of service contracts for stenographic, reporting or related or similar services (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 7 (a) where the amount payable under the contract did not or does not exceed $1,000?

8. (a) What is the answer to (1) above in the case of service contracts for maintenance services, including cleaning, road clearing and snow, garbage and waste removal or disposal (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 8 (a) where the amount payable under the contract did not or does not exceed $5,000?

9. (a) What is the answer to (1) above in the case of service contracts for maintenance and inspection of elevators (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 9 (a)?

10. (a) What is the answer to (1) above in the case of service contracts for the repair, overhaul, and refitting of vehicles, aircraft, and equipment, other than office equipment (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 10 (a)?

11. (a) What is the answer to (1) above in the case of (i) telecommunication services (ii) radio telephone services (iii) the rental of telecommunication equipment (iv) the rental of short or local lines (v) the rental of long lines; (b) what is the answer to each of the questions in (2) above in the case of each such service contract described in 11 (a)?

12. Were any service contracts specified in paragraphs 1, 3, 4, 5, 6, 7, 8, 9, 10 and 11, entered into where the amount, rate or other sum payable under the contract exceeded the amount, rate or sum prescribed by part III of the government contracts regulations; and, if so, in each case, where such a contract was entered into, what is the answer to each of the questions in (2) above?

13. What service contracts, the term of which exceeds 5 years, have been entered into with or without the approval of treasury board and in each case what is the answer to each of the questions in (2) above?

14. What service contracts have been entered into where the amount, rate or sum payable thereunder has been increased with the approval of treasury board and, what was the amount of such increase, by whom was it authorized and why was it made?

15. What service contracts have been entered into where the amount, rate or sum payable thereunder has been increased without the approval of treasury board and, what was the amount of the increase, by whom was the increase authorized and why was it made?

16. In the case of service contracts entered into where the amount payable thereunder was increased, in what cases were increases made in excess of the limitations prescribed by part III of the government contracts regulations and by what authority were such increases made?

Order discharged and motion withdrawn.

TREATMENT FOR DRUG ADDICTION

Motion No. 92—**Mr. Howard:**

Motions for Papers

That an order of the house do issue for a copy of all briefs, plans, submissions or treatises prepared by staff members at the British Columbia penitentiary since January 1, 1960, regarding drug addiction and treatment thereof and any other penological concepts.

Motion agreed to.

AIR TERMINAL TRANSPORT LTD., TORONTO

Motion No. 102—**Mr. Addison:**

That an order of the house do issue for a copy of all correspondence, letters, telegrams or other documents exchanged between Air Terminal Transport Limited of Toronto and the Department of Transport, and also any correspondence between Trans-Canada Air Lines and the Department of Transport that relates to Air Terminal Transport Limited of Toronto.

Mr. Pickersgill: Mr. Speaker, before the motion is put might I say that I understand the hon. member would be satisfied to receive copies of the agreements with respect to ground transportation between Air Terminal Transport Limited of Toronto and the Department of Transport and correspondence relating to the negotiation of these agreements. The government would have to take the position that correspondence between T.C.A. and the Department of Transport is privileged, but subject to that reservation the motion is acceptable.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion subject to the reservation of the minister?

Motion agreed to.

FEDERAL ASSISTANCE FOR INDIANS AND ESKIMOS IN LABRADOR

Motion No. 105—**Mr. Granger:**

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 exchanged between June 21, 1957, and April 22, 1963, between any member of the government of Newfoundland and the Minister of Citizenship and Immigration regarding additional federal assistance for Indians and Eskimos in Labrador.

Motion agreed to.

NATIONAL CAPITAL DISTRICT—CORRESPONDENCE WITH MUNICIPALITIES

Motion No. 107—**Mr. Martineau:**

That an order of the house do issue for a copy of all letters, memoranda or other documents exchanged since the 22nd of April 1963, between the government and any municipality within the national capital area, concerning the possible setting up of a national capital district.

Motion agreed to.

NATIONAL CAPITAL DISTRICT—CORRESPONDENCE WITH QUEBEC AND ONTARIO

Motion No. 108—**Mr. Martineau:**

That an humble address be presented to His Excellency praying that he will cause to be laid

[Mr. Howard.]

before this house a copy of all letters, memoranda or other documents exchanged between the Canadian government, on the one hand, and the governments of the provinces of Quebec and Ontario, on the other hand, since the 22nd of April 1963, concerning the setting up of a national capital district.

Motion agreed to.

EXTENSION OF WINTER WORKS PERIOD

Motion No. 109—**Mr. Lessard (Lake St. John):**

That an order of the house do issue for a copy of all correspondence between the Minister of Labour or any official of his department, and the government of Quebec, concerning the extension of the winter works period.

Motion agreed to.

STUDENT LOAN FUND LEGISLATION

Motion No. 110—**Mr. MacRae:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all letters, memoranda or other documents addressed by the government of Canada to the provincial governments in connection with the proposed student loan fund legislation and any replies thereto.

Order discharged and motion withdrawn.

FIXING OF DUTIES UNDER CUSTOMS ACT

Motion No. 111—**Mr. Moreau:**

That an order of the house do issue for a copy of all orders by the Minister of National Revenue since April 18, 1961 under the provisions of section 38 of the Customs Act for the purpose of fixing duties.

Motion agreed to.

MAPS SHOWING ELECTORAL BOUNDARIES

Motion No. 112—**Mr. Martineau:**

That an order of the house do issue for a copy of all maps, drawn up or deposited with the chief electoral officer or the representation commissioner, pertaining to the proposed redistribution of electoral boundaries in Canada.

Mr. Pickersgill: Mr. Speaker, I wonder whether this motion could be transferred for debate.

Mr. Speaker: Transferred for debate.

REVOCATION OF PAROLES, MONTREAL

Motion No. 113—**Mr. Orlikow:**

That an order of the house do issue for a list, by name or number, of all paroles revoked in the city of Montreal during the year 1963, giving in each case the grounds for the revocation and the name of the judge involved.

Motion agreed to.

LABOUR CONDITIONS

EMPLOYMENT OF OLDER WORKERS—INFORMATION GIVEN TO PRESS RATHER THAN IN HOUSE

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I should like to raise a question of privilege which I believe affects all members of the house. Appearing on the order paper today is question No. 826, addressed to the Minister of Labour, which reads in part as follows:

1. Up to the present date, how many workers over the age of 45 have been placed in employment in Canada through the offices of the national employment service as a result of the program by which their salaries are supplemented to the maximum of $75 per month out of public funds?

Appearing in the press of this country yesterday under the byline of the Canadian Press is a release in the name of the Minister of Labour, and I will read it in part:

Labour minister MacEachen announced Monday—

That is the day before yesterday.

—that 2,347 job openings were approved under the incentive program whereby the federal government pays a special subsidy to employers hiring and training workers 45 years and older. But by the March 31 deadline for hiring older workers, only 1,811 workers had been put in approved jobs.

Mr. Speaker, the way members have of obtaining information in this house is by means of the order paper. Many of us try assiduously to follow the rules of the house, and in an effort to do so I placed my question on the order paper on April 21. It was there on Monday last. The minister chose to give this information to the press of the country instead of answering the question in the House of Commons. I submit this is a breach of the rules of the house, it is contempt of parliament and in fact it is government by press release.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, in reply to the question of privilege raised by my hon. friend, I may say that he will wish to revise his grievance when he realizes that the information released to the press on Monday had already been given in the house.

Mr. MacEwan: No, it had not.

POINT EDWARD NAVAL BASE—ALLEGED INACCURATE STATEMENT BY MINISTER

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I rise on a question of privilege, Mr. Speaker. On April 24 the Associate Minister of National Defence, in reply to a supplementary question posed by me which appears on pages 2539 and 2540 of *Hansard,* stated that his department was doing everything it could to phase out operations at the Point Edward naval base as slowly as possible. He continued by stating:

A ship which was not scheduled to go into the Point Edward naval base has now been directed to go there in order to be refitted, so that work will be provided for a longer period and we will then be able to phase out more slowly the work at Point Edward naval base.

It has only now come to my attention that the naval vessel to which I presume he referred, H.M.C.S. *Swansea,* is not at the Point Edward naval base but is at a private shipyard at Sydney where only five employees from the base are employed at the moment. The result of the minister's statement, which was accepted by all the news media in the area to mean that a new refit job was available for this base, has been to promote false hopes and disappointment in the minds of the employees who are already tormented by the fact they are to be without employment in the very near future.

I am not suggesting that the minister deliberately misled the house, the employees and others in the area concerned. However, it is my hope that the hon. gentleman will now correct his grievous error and see that a naval vessel is allocated to this base so the phasing out will be slowed down as he promised, since this government appears to be quite adamant in its stand that this base must close.

Hon. Lucien Cardin (Associate Minister of National Defence): I have not had an opportunity of seeing the article to which the hon. member referred. What I said the other day was that in order to extend the work, to phase out the work at Point Edward more slowly, the government had decided to send a ship to the Point Edward naval base which had not been scheduled for that base. I shall be glad to look into this particular matter. I can tell the house that there was certainly no intention to mislead the house. It is a fact that a ship was sent to the Point Edward naval base for repairs that was not scheduled to go there.

REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct once more to the Minister of Labour a question I asked while he was absent.

I should like to ask the Minister of Labour whether he has received letters from the Quebec minister of municipal affairs as well as from the mayors' and municipalities' association of the province of Quebec as regards the extension of the winter works program in the designated areas, and whether this will result in a change in government policy on this matter.

[*Text*]

Mr. Speaker: In view of the fact that this is almost a daily question I can hardly rule it as so pressing and urgent that it needs to be answered at this time. Will the hon. member put it on the order paper.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to keep this question for discussion at ten o'clock tomorrow night.

[*Text*]

EXTERNAL AFFAIRS

CYPRUS—INQUIRIES RESPECTING PEACE KEEPING FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Now that General Gyani has spoken along the line of questions asked by the opposition, namely that the situation in certain parts of Cyprus is such that it raises serious implications concerning the role of the United Nations force, I ask the minister—we have to get this information from the press, I would point out—whether any action has been taken to do that which we have suggested, that is to give reasonable powers to the United Nations force; particularly because of an Associated Press dispatch which indicates that all the Canadian troops in Cyprus have to do is observe developments and report back to United Nations headquarters or intervene to protect the civilian population if necessary. Is the minister now in a position to give this house more complete and concise information than he has given up to the present time?

Hon. Paul Martin (Secretary of State for External Affairs): The hon. gentleman said I gave something to the press which I had not given to the house.

Some hon. Members: No, he did not.

Mr. Martin (Essex East): Well, I misunderstood the hon. gentleman. If he had said that I was going to correct it. General Gyani issued a subsequent statement to that already referred to by my hon. friend. At the conclusion of that statement General Gyani said, and I quote:

> It is my firm belief now that peaceful conditions can be restored and maintained in Cyprus, and we in the United Nations peace force will work relentlessly to bring about active measures to reduce tension and eliminate fear and assist in every way possible toward achieving quiet and peace in the island.

Since the interrogation in this house yesterday there has been a subsiding of incidents in Cyprus. In addition, the secretary general, who is now in Paris conferring on the matter, has issued a statement and a report to the security council suggesting what course should be taken by the United Nations force in the light of the situation that developed over the week end. I had hoped that we would have the full text of this statement so I could table it in the house today. I expect it will be circulated in the United Nations some time this afternoon. I may say that this statement is partly in response to a conversation I had on Friday last—I know this does not please the right hon. gentleman—

Mr. Diefenbaker: No, it is ridiculous.

Mr. Martin (Essex East): I know it does not please the right hon. gentleman, but the fact is that it is partly in response to a conversation I had with the secretary general last Friday night, conversations which the secretary general has had with certain contributing countries' representatives, as well as talks with representatives of the United Nations, the United States and other countries. When the text of the secretary general's report is available it will be tabled forthwith. As a matter of fact, I believe with the permission of the house, I should table the statement of General Gyani, dated late yesterday.

Mr. Speaker: Does the house give consent to the tabling of this statement?

Some hon. Members: Agreed.

Mr. Diefenbaker: Mr. Speaker, I ask the hon. gentleman this question. Has he made representations to the effect that the role of the United Nations force, and I refer particularly to the Canadians, shall not be that of simply a passive policeman but that the force shall undertake remedial and effective action which in their opinion is necessary?

Mr. Martin (Essex East): I have already answered that question twice, yesterday and partly today. I indicated that on Friday last when I saw the secretary general, I told him that in the light of the situation as it was reported to us by our high commissioner in Cyprus, and as reported from other sources, it would seem that the United Nations force was being placed in a difficult position. The secretary general acknowledged this. Because I am concerned about the operations of that force, I am precluded from going any further.

Now, I can say that the secretary general has made a statement in Paris today. His statement is preliminary to a report which he is circulating to the members of the United Nations security council, and that report will be available some time today. I ask my hon. friend to consider his question in the light of that report.

Mr. Diefenbaker: I have considered the question in the light of the uncertain reports

the hon. gentleman has given this house on all occasions. I will be glad, however, to wait until we receive an authentic statement from General Gyani.

Mr. Martin (Essex East): I do not want to quarrel with my hon. friend, but I do know something about the delicacy of this situation. It is not fair to our soldiers; it is not fair to the United Nations; it is not fair to the Canadian people, to say—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —that I have given uncertain reports. I have given reports that were exact and precise. They have to do with a very difficult situation, and I may say to my right hon. friend, the reaction I get—and I have my appreciation of what reactions can be—is that the right hon. gentleman would do himself more credit by helping the government in a situation such as this.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, that last observation deserves an answer, and I simply say to the hon. gentleman that what he has said is bluff, and pompous bluff at that.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. The latest report to come over the wires indicates that the British ambassador has been instructed to interview the secretary general of the United Nations regarding the inactivity of the United Nations force in Cyprus, and I want to ask the minister two questions to save the trouble of getting up on a supplementary.

First, are similar representations being made by the Canadian government to the secretary general of the United Nations? Second, does the Canadian government share the view that the presence of the United Nations force in Cyprus has effectively deprived the Turkish Cypriots of any outside aid, and therefore it is the responsibility of the United Nations force to provide sufficient protection for Turkish Cypriots?

Mr. Martin (Essex East): Mr. Speaker, with regard to the first part of the question, the Canadian ambassador saw the secretary general of the United Nations twice on Saturday, and he was in touch three times yesterday with Mr. Ralph Bunche, who was acting in the absence of the secretary general. In addition, he conferred with Mr. Adlai Stevenson on Saturday and again yesterday.

I may say that the United States undersecretary of state for foreign affairs is in Ottawa, and I conferred with him on this matter this morning. I have also been in touch with the foreign office in the United Kingdom. I am sure that the actions of the United Nations force in Cyprus, notwithstanding the difficulties, have had a preventive effect. I hope this effect will continue, particularly in the light of the report which we are awaiting from the secretary general.

Mr. Douglas: The minister may have overlooked the second part of my question in which I asked whether the government shared the view that, since the presence of the United Nations force in Cyprus has effectively deprived the Turkish Cypriots of any outside aid, it is the responsibility of the United Nations to provide protection for Turkish Cypriots. Is this view being pressed upon the secretary general of the United Nations?

May I also remind him that yesterday he said Canadian troops were not directly involved in negotiations in the Kyrenia pass, yet a report came in this morning that it was Canadian troops who transmitted the request for the Turkish forces to withdraw, and the rejection was transmitted through the Canadian troops to the Cypriot forces.

Mr. Martin (Essex East): Mr. Speaker, all I can properly do is to indicate that the Canadian government, maintaining a neutral position as a member of the United Nations force, has made representations, through its representative to the United Nations and its high commissioner in Cyprus, along the lines suggested by the hon. gentleman. Those representations were perfectly compatible with the desirable neutral position we must maintain.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I wish to direct a supplementary question to the Associate Minister of National Defence, and I may say it is also supplementary to a starred question he answered for me on Monday. Does he consider it fair to provide special allowances to our troops in Cyprus which are not equal to the allowances paid to our troops in the Congo and other overseas areas where they are serving?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, it is not my impression that our troops in Cyprus are getting less than our troops in the Congo or anywhere else.

[*Later:*]

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I addressed a question to the Associate Minister of National Defence asking him about the special allowances which were made available in Cyprus as compared with those paid to troops in the Congo, New Guinea

and other areas of the world. The associate minister told me there was no difference in the special allowances made available.

However, in the answer he provided to me as reported on page 2590 of *Hansard* he referred me to the public accounts of Canada, March 31, 1963, section 20, pages 23-25. From this I find that the special allowance for those in the Congo is $100 per month and that for troops in New Guinea it is $90 a month. When I look at the answer the hon. gentleman gave me with regard to the troops in Cyprus I see that the special allowance amounts to $69 a month.

I am pretty mixed up now. Either the minister has given me incorrect information today or he gave me incorrect information on Monday. He certainly gave me incorrect information at some time; and I should like to have the matter cleared up.

Mr. Cardin: Mr. Speaker, I think the hon. member knows the correct information was that given in the return. I apologize to the hon. member for having led him astray in this sense, that I led him to understand there was no difference in the amount of allowances that was paid. I have subsequently been informed that the special allowance for people serving in the Congo is $100 and the reason for this additional amount of money paid to the people in the Congo is, of course, the difficulty of serving in that very hot country.

Mr. Coates: Could I ask a question supplementary, Mr. Speaker, to my other question. I ask the minister, will he give consideration to increasing the amount of the special allowance for troops serving in Cyprus, in view of the great risk they are undertaking at the present time?

Mr. Cardin: That matter will be considered, Mr. Speaker.

ALLEGED U.S. INFLUENCE ON CANADIAN FOREIGN POLICY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Secretary of State for External Affairs. My question is based on a press dispatch from Harriman, New York, on the 25th of this month which reads as follows:

> Canadian foreign policy is circumscribed by the need to maintain Washington's good favour, President John W. Holmes of the Canadian institute of international affairs said.

In view of the fact that this gentleman is a prominent official of the external affairs department, would the minister inform the house whether in fact Canadian foreign policy is circumscribed by the need to maintain Washington's good favour?

Hon. Paul Martin (Secretary of State for External Affairs): The hon. gentleman knows that the answer to his question is no. I suggest he read the full text of the speech. He would then see that this particular sentence, isolated from the context, conveys an altogether different meaning.

ROYAL CANADIAN AIR FORCE

PENSION BENEFITS TO OFFICERS TO BE RETIRED

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I direct a question to the Associate Minister of National Defence. When will the government announce the compensation arrangements which are to be made with respect to the 500 air force officers who were recently forced into early retirement?

Mr. Speaker: May I suggest there is not that urgency about this question to warrant an answer at this time. Would the hon. member put it on the order paper?

Mr. Thompson: Mr. Speaker, these men have been waiting for nearly a month for some decision on the question. It is a most urgent one.

Mr. Speaker: I still think it is my duty to apply the rules, and I do not see the great urgency which would justify it being answered at this time.

Mr. Thompson: Then I shall give notice that I wish to raise it on an adjournment debate.

TRANSPORT

MONTREAL—REQUEST FOR REMOVAL OF TRACKS

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to put a question to the Minister of Public Works. Is the minister going to resign, as he said he would do recently in Montreal, or has he had some success in the steps he took to remedy the danger created by the level crossing between Moreau st. and Viau st.?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I do not intend to change anything in the statement I made concerning the case referred to by the hon. member. I must tell him that the question is under consideration.

Mr. Balcer: Mr. Speaker, as a supplementary question may I ask the minister what delay he has given himself to resign?

Mr. Grégoire: Order.

Mr. Pigeon: Not 30 days.

[*Text*]

Mr. Speaker: Order, please. I was about to rule the question out at the beginning as purely hypothetical, but the minister got in ahead of me.

HEALTH AND WELFARE

BRITISH COLUMBIA—CLOSING OF MILLER BAY HOSPITAL

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, with the high degree of absenteeism among the cabinet I do not know to whom I should direct this question, but perhaps the acting minister of national health and welfare would be able to take notice of it, or indicate to the house whether any directions or directives have been issued to or for the Miller Bay hospital near Prince Rupert, to the effect that its bed capacity be reduced and eventually the hospital closed.

Mr. Speaker: It does seem to me the Chair must point out that if there are a few ministers absent today it is for a very good and sufficient reason.

Some hon. Members: Oh, oh.

Mr. Speaker: Also I would like to point out that the question has no sense or degree of urgency that it should be asked at this time. May I suggest the order paper.

Mr. Howard: I rise first on a question of privilege, Mr. Speaker, and with great deference to you ask what is this reason that the cabinet ministers are absent.

Hon. Paul Martin (Secretary of State for External Affairs): Perhaps I might deal with this question. As my hon. friend knows, the biannual meeting of the Canadian-United States cabinet ministers is taking place today and three of my colleagues are involved—

Mr. MacInnis: Mr. Speaker, on a point of order—

Mr. Martin (Essex East): —the Minister of Finance, the Minister of Trade and Commerce, the Minister of Agriculture, and myself; and I regret to say—

Mr. MacInnis: On a point of order, Mr. Speaker—

Mr. Martin (Essex East): —that the Minister of National Health and Welfare is in hospital.

Mr. Speaker: Perhaps I should explain that the reason for the Chair making that statement was that I had been approached two days ago to loan some rooms, which comes within my jurisdiction, so I had personal knowledge of the fact that several ministers representing the Canadian government would be in conference in room 16. I therefore spoke with personal knowledge.

AGRICULTURE

EFFECT ON DAIRY FARMERS OF GOVERNMENT POLICY

On the orders of the day:

Hon. Théogène Ricard (St. Hyacinthe-Bagot): In the absence of the Minister of Agriculture I wish to address a question to his parliamentary secretary. Is the hon. gentleman of the opinion that the dairy policy of this government which has resulted in a saving in two years of $9.5 million to the detriment of the dairy farmer is to the advantage of the latter?

Mr. Speaker: Would the hon. member put that question on the order paper.

Mr. Ricard: I should like very much to have the views of the parliamentary secretary on this matter, because it is an important question for the dairy farmers of my province.

Mr. Speaker: If I may change my ruling—and the hon. member may not like this so well—it seems to me that this question is out of order. He is asking for an opinion on a matter of policy.

Mr. Ricard: Then I should like to discuss this matter at the next opportunity.

Mr. Speaker: I had better clear this up now. If the question is out of order, the matter does not arise for discussion at ten o'clock.

Mr. Ricard: I regret very much, Mr. Speaker, to tell you that it will distress the farmers of my riding to learn that you have ruled this question out of order.

WATER RESOURCES

PROPOSED DIVERSION FROM HUDSON BAY INTO GREAT LAKES

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): I have a question for the Secretary of State for External Affairs. Has he, or any member of the government, received advance notice that secretary of state Rusk will be taking up the question of the diversion of water from the Hudson bay and James bay watershed into the great lakes system in order to alleviate the acute shortage of water in that area?

Mr. Speaker: Would the hon. member put this question on the order paper.

Inquiries of the Ministry

Mr. Martineau: On a question of privilege, the secretary of state will be here tomorrow, and it is unreasonable to expect to get the answer by tomorrow, though this is a question which is of considerable interest not only in Canada but in the United States.

Mr. Speaker: I understand the importance of the question, but if the hon. member is really disturbed about it surely he could use the telephone and give notice, and perhaps he could get his answer tomorrow.

Mr. Martineau: On a question of privilege, I should like to point out that the suggestion Your Honour has made has no practical application, because the secretary of state will be here tomorrow.

Mr. Favreau: On a point of order—

Mr. Martineau: I am speaking on a question of privilege.

Mr. Speaker: Order, please. One at a time.

Mr. Ricard: The hon. member for Pontiac-Temiscamingue was on a question of privilege.

Mr. Speaker: I must point out to the two hon. members concerned that the Chair has a duty, too, and if there is to be order in the chamber hon. members should at least give the benefit of the doubt to the Chair. I recognize the Minister of Justice.

Mr. Martineau: Have you ruled that I have lost my right to speak on a question of privilege?

Mr. Speaker: I have tried to suggest as politely as possible that the hon. gentleman should put his question on the order paper.

Mr. Martineau: I was pointing out as respectfully as I could that I cannot do this while attaining any useful purpose, because the secretary of state will be here tomorrow. This question was taken up in the United States congress yesterday and today, and because of its urgency and because of the visit tomorrow of the secretary of state I thought I should address my question verbally to the Secretary of State for External Affairs.

Hon. Guy Favreau (Minister of Justice): I think, Your Honour, that the new rules make no exception, and that your rulings ought not to be discussed. The only consequence accepted by the house is that if an hon. member is not satisfied with an answer he may raise the matter as a grievance. He cannot raise points of order.

Mr. Martineau: In the light of what has been said may I rephrase my question?

Some hon. Members: No.

[Mr. Speaker.]

Mr. Speaker: Order. There seems to be a general misunderstanding, and in the circumstances I suggest that the hon. member rephrase his question.

Mr. Martineau: Then may I ask the Secretary of State for External Affairs if he will be discussing this important and serious matter of water shortages on the great lakes with the secretary of state of the United States when he meets him tomorrow.

Hon. Paul Martin (Secretary of State for External Affairs): The secretary of state, Mr. Rusk, will not be at the conference until tomorrow, but I may tell the hon. member that I hope this question will be raised later this afternoon.

POWER

PASSAMAQUODDY—CANADIAN POSITION RESPECTING FISHERIES PROTECTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Fisheries and ask him what is to be the attitude of the Canadian government in connection with the discussions to take place with United States secretary of the interior Stewart Udall respecting the Passamaquoddy power project. The information that we have in the form of press references is that this matter will be discussed, particularly in regard to fisheries and the like. Would the minister take the house into his confidence?

Hon. H. J. Robichaud (Minister of Fisheries): I shall be meeting with Mr. Udall later on this afternoon and it is my intention to make it clear to him that, notwithstanding the importance of the development mentioned, we wish to ensure protection for our fisheries.

Mr. Thomas M. Bell (Saint John-Albert): In connection with the 'Quoddy talks will the question of Chignecto tidal power also be discussed, so that United States acceptance of future Chignecto power may be a part of any over-all 'Quoddy agreement?

Mr. Robichaud: This particular matter has not come to my attention and will not be discussed at this time.

Mr. Robert Muir (Cape Breton North and Victoria): I had a supplementary question to direct to the Minister of Trade and Commerce. I realize he has had to leave the house, so perhaps I could direct it to the acting minister. Can the hon. gentleman inform the house as to the present state of negotiations between Canada and the United States, as indicated by secretary of the interior Udall, with regard to this country's purchase of

more coal from the United States as a result of increased purchases of power by that country from Canada; and is the minister aware of the danger inherent in these negotiations to the coal mining areas of this country?

Mr. Jean-Luc Pépin (Parliamentary Secretary to Minister of Trade and Commerce): I will bring this to the attention of the minister.

URANIUM

INQUIRY AS TO EXTENSION OF STOCKPILING PROGRAM

On the orders of the day:

Mr. Charles Lamb (Victoria, Ont.): Mr. Speaker, I would like to direct my question to the Minister of Mines and Technical Surveys, but in his absence I direct it to his parliamentary secretary or whoever is representing the minister. Is the minister still considering stockpiling uranium in the Cardiff mine? This mine is in my riding, and I am most anxious that this be done.

Mr. Speaker: Order. Would the hon. gentleman put his question on the order paper.

ADMINISTRATION OF JUSTICE

ACTION TAKEN RESPECTING ALLEGED ESPIONAGE ACTIVITIES

On the orders of the day:

[*Translation*]

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): Mr. Speaker, I wish to direct a question to the Minister of Justice. Why did he not decide to lay a charge of spying against the Russian newspaper man Tarasov, instead of merely taking deportation procedures against him?

Also, would the minister tell the house whether the R.C.M.P. are continuing their investigation in order to determine whether or not that newspaper man was a member of a spying network?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the Department of External Affairs considered, during the investigation, that this case should be solved through the deportation of the person concerned, following activities inconsistent with his status as a correspondent of *Izvestia,* which is an agency of the Soviet government.

As far as I am concerned, I agree with this method for disposing of this case, in view of all the circumstances.

Consequently, I sincerely hope that all hon. members will understand why it would not be in the public interest for me to comment further on this case.

Mr. Paul: Mr. Speaker, would the minister answer the second part of my question?

Mr. Favreau: Mr. Speaker, because of my responsibility as a minister of the crown, I feel—and in that I agree with my colleagues —that it would not be in the public interest to discuss this case any further.

Mr. Paul: Mr. Speaker, I rise on a question of privilege. There is no question of having a public debate. I only want to get some information from the minister, to find out if the R.C.M.P. is carrying out an inquiry to ascertain whether or not there was a spy ring in which that newspaperman might have been involved.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, at the beginning of the proceedings today the hon. member for York-Sunbury (Mr. MacRae) raised a question of privilege with respect to answers which he said I had failed to give to the house. I suggested that my hon. friend might wish to modify that complaint—

Mr. Martineau: Mr. Speaker, I believe there is already a question of privilege before the house.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. It is impossible for the Chair to listen to three or four hon. members at the same time. I think the hon. gentleman, out of courtesy and in order to assist the Chair, should at least let me listen to what the Minister of Labour is saying.

Mr. Woolliams: On a point of order, Mr. Speaker—

Mr. Martineau: Mr. Speaker, it was to assist the Chair that I rose, because we were already on a question of privilege and I thought the Minister of Labour had not noticed that we were already on a question of privilege when he raised a new one. The Minister of Justice was just rising to answer a question of privilege which had been raised, and I thought, in order to assist the Chair in the orderly conduct of business, it was right that we should hear the Minister of Justice.

Mr. Speaker: The Minister of Labour.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, as a supplementary question and as a follow up to the first answer given to the hon. member for Berthier-Maskinongé-Delanaudière—

[*Text*]

Mr. Speaker: Order, please. I know the hon. member is trying to assist the Chair,

but I must point out that under our new rules the 30 minute question period on Wednesday has expired. On the other hand, I understand that the Minister of Labour is rising on a question of privilege.

Mr. MacEachen: Mr. Speaker, at the beginning of the proceedings this afternoon the hon. member for York-Sunbury raised a serious question of privilege and alleged that I had released information to the press prior to releasing it to the House of Commons, even though he had a question on the order paper with respect to that information.

This complaint is, of course, quite groundless. The first part of the hon. member's question was answered and the information provided in reply to a question asked by the hon. member for Simcoe East (Mr. Rynard) on Monday, April 20, 1964. That same information was not released in the way of a press release until April 27, 1964. It had been given to the house a full week prior to being released to the press. The next two questions asked by my hon. friend, parts 2 and 3, appearing on today's order paper were answered on March 16, 1964, in reply to questions asked by the hon. member for Ontario (Mr. Starr).

Mr. Bell: Why didn't he answer the question?

Mr. MacEwan: It is the parliamentary secretary's fault.

Mr. MacEachen: Read the answers that were given, and you won't have any trouble.

Mr. Speaker: Order, please. May I point out to all hon. members that it seems to me it is becoming increasingly the habit to rise on questions of privilege which are in fact points of order. A question of privilege concerns, as we all know, the privileges of an hon. member or of all hon. members of the house, and should be raised almost by way of exception. Questions of privilege should not be raised merely for the purpose of making a complaint.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege—

[*Text*]

Mr. Speaker: Is this a point of order or a question of privilege?

[*Translation*]

Mr. Caouette: Mr. Speaker, call that a point of order or a question of privilege but as far as I am concerned I make it a question of privilege.

During the half hour allotted to questions, I rose at least 25 times to ask a question. If, during that half hour in which hon. members can ask questions, we are to hear only questions put by Conservative members, we will not put up with that and we will fight that standing order with might and main.

We are asking you to be a little more lenient toward hon. members sitting in this corner of the house so that at least once in a while we can ask one question. In fact this afternoon only one member, the hon. member for Lapointe (Mr. Grégoire) was successful in putting one question. No other member sitting at this end of the house was recognized.

[*Text*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rise on a point of order. I too, for 20 minutes wanted to ask a question, but because of other questions being asked I was not recognized. I raise this matter as a point of order and would ask you, sir, to invoke the rule in respect of all hon. members and let us get on with the other business.

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, with all respect, I may say that since the beginning of the question period, I rose, I did gymnastics to catch your eye in order to ask a question.

I wonder whether I could ask that question immediately since it concerns quite an important and urgent matter for eastern farmers.

[*Text*]

Mr. Speaker: Order, please. The rules were given to the Chair by the house; consequently the Chair is obliged to enforce the rules as given to it. Under the circumstances I call orders of the day.

Mr. Vincent: On a question of personal privilege, Mr. Speaker, I have been trying since last week to ask a question in this house and I have never been recognized. I would like to ask a question today. This is very important.

Mr. Winch: I too have been trying to get the floor for 20 minutes. Invoke the rule in respect of all hon. members, sir, and not just some.

Mr. Speaker: I realize the difficulty, in a half hour period, of covering all hon. members who wish to ask questions. On the other hand there is a certain personal obligation on hon. members to notify the Chair if they have some extremely important matter to raise.

Mr. Vincent: Mr. Speaker, on a point of personal privilege, last Friday I stood up in this house to speak but was refused by the Chair.

Mr. Speaker: Orders of the day.

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, on a point of personal privilege—

Mr. Speaker: Well, I will listen to a point of privilege because I want to demonstrate to the house how matters can get out of control if we do not have the full co-operation of all members. The hon. member for Hastings-Frontenac.

Mr. Webb: Mr. Speaker, I have been bobbing up and down for the last two days like a cork in a rough ocean and I cannot get recognition from the Chair on a very urgent matter. I should like to direct my question—

Mr. Speaker: Order, please. If the hon. member has a point of privilege the Chair must hear it; but if he has a question the time allotted to the question period has elapsed by two minutes. Orders of the day.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureux in the chair.

CUSTOMS TARIFF

1. Resolved that schedule A to the Customs Tariff be amended by striking out tariff items 219a, 326m, 326n, 399a, 410c, 410d, 410e, 683 and 848, and the enumerations of goods and the rates of duty set opposite each of these items, and by inserting therein the following items, enumerations of goods and rates of duty:

Mr. Benson: Mr. Chairman, as was mentioned in the budget speech only about a score of tariff changes are proposed by these resolutions. About half of these, indeed somewhat more than half, stem from two tariff board reports which the government received in 1962 and 1963. These tariff board reports related to oilfield equipment and to certain glassware and chinaware for decorating, respectively. They recommended changes in tariff items which were bound by the general agreement on tariffs and trade; hence they could not be implemented until the former GATT commitments were renegotiated. This has now been done.

The effect of the first two of the four resolutions now before the committee is to implement the results of these negotiations. The third resolution provides for a miscellaneous group of amendments. Most of them are of a relieving nature, and the purpose of the others is merely to clarify or modernize existing provisions. The fourth resolution is the usual coming into force provision. It follows the traditional practice of bringing all tariff changes provisionally into effect on the day following the budget, conditional of course on their subsequently being approved by parliament.

Before resuming my seat, possibly I should say a few words relating specifically to resolution 1. As I mentioned, it represents a negotiated package stemming from two tariff board reports. However, it involves four items which did not appear in these reports. One of these is a bound item which it was desired to reword for purposes of clarification, and which was included in the negotiations as a matter of convenience. The other three items represent what I believe GATT technicians refer to as "outside compensation". By way of explanation I should point out that while the tariff board report on oilfield equipment recommended some increases and some reductions in bound rates of duty, the increases somewhat overbalanced the reductions. Accordingly, in order to renegotiate our obligations in accordance with the GATT rules, it was necessary for us to make corresponding reductions in the rates on some other items. The concessions which were agreed upon in this connection as acceptable to both ourselves and our trading partners, and which are implemented by resolution 1, affect barytes, montan wax and bread. It is proposed that the duty on barytes be reduced from 25 per cent to 20 per cent, and that the duty on montan wax and bread be removed entirely. I might add that these are relatively painless concessions, about which no complaints whatsoever have been received from interested parties.

Possibly we should turn now, Mr. Chairman, to the detailed schedule. Hon. members will note that the first item on the list is bread, to which I have just referred, and about which I should add only that the proposed free entry provision is exactly the same as the corresponding item in the United States tariff. The second item is the one to which I referred earlier as being reworded without any change in rates, and the third item relates to montan wax. Thereafter we get into the list of items covered by the tariff board reports.

Mr. Nowlan: Everything except the first three have been covered by the tariff board reports, have they?

Mr. Benson: Yes, in resolutions 1 and 2.

Mr. Nowlan: I notice montan wax is referred to; the parliamentary secretary said that it is free. I see it still carries a tax of 10 per cent under the general tariff, but the British preferential and most favoured nation have been abolished.

Mr. Benson: Yes. The general tariff is purely nominal, and as the hon. gentleman will realize, being a former minister of finance, it is practically never used.

Mr. Douglas: Would the parliamentary secretary care to elaborate further on paragraphs 1 and 2 of the Estate Tax Act resolution? Do I understand from what he said that these were to implement part of a package deal?

Mr. Benson: No, here we are dealing with the Customs Tariff.

Mr. Douglas: I know we have been discussing the Customs Tariff, but has the Estate Tax Act been disposed of?

Mr. Benson: No; that will be the final resolution to be dealt with by the house.

Mr. Douglas: We intend to come back to it?

Mr. Benson: We will be going on to it. We have not come to it yet.

Mr. Nielsen: Mr. Chairman, I require some clarification on a particular tariff item. This is a matter I have raised in the house before on several occasions. Once I asked a question of the Minister of Transport and he not only did not reply but arrogantly told me to put my question on the order paper. When this was not done he had one of his own government members put it on, and even that member did not get a proper answer to the question. It concerns an item on page 18 of the budget resolutions, item 440m, which deals with tariff changes with respect to aircraft, not including engines, when of types or sizes not made in Canada.

Mr. Benson: Would the hon. member first let us move through the first two resolutions? There are four in all, and this item is dealt with in the third resolution. At that time I would be pleased to give any explanation I can on this point. If it would be agreeable to the committee I should like to deal with the resolutions in order. Resolutions 1 and 2 simply implement recommendations of the tariff board. Resolution 3 deals with a group of miscellaneous items, including the one raised by the hon. member. I can comment on his point when we reach that item.

Mr. Nielsen: Under those recommendations of the tariff board perhaps the parliamentary secretary can inform us whether the tariff board has included in its recommendations any matters pertaining to the imposition of tariffs on Canadian aircraft imported into the United States, or United States aircraft imported into Canada.

Mr. Benson: No, only two particular references to the tariff board are included in resolutions 1 and 2. There is no reference to aircraft in these.

Mr. Nugent: Mr. Chairman, in the item dealing with oil well drilling equipment on page 13 the rates listed are 5 per cent, 10 per cent and 20 per cent. Have any of these been raised and, if so, why?

Mr. Benson: To really get a full answer the hon. member would have to refer to the tariff board report, which I believe is No. 130. What the tariff board did recommend was variations in duty. In some items which were of a class or kind made in Canada they recommended that there be increases in duty, and in others which were not of a class or kind not made in Canada they recommended decreases. The result was that when we were negotiating with our trading partners the increases and decreases almost balanced. However, in order to negotiate the whole package we had to throw in three extra items, of which one is the first item in schedule 1. Offhand I could not tell the hon. member which ones have gone up or down. I would be most pleased to get a copy of the tariff board report for the hon. member if he does not already have one.

Mr. Nugent: With regard to item 399a, pipes or tubes of iron or steel, I do not notice any distinction made in the tariff between those which are of a type made in Canada and those which are not, and there is usually such a provision. Certainly I know there are adequate manufacturing facilities in Canada, and I am wondering why there is no protection or no change made in that regard.

Mr. Benson: Actually this item is merely a tidying up operation. I am told that sucker rods, pony rods and polished rods were removed from the old item 399a and put in this particular item.

Mr. Nugent: Which item were they put into? This is item 399a.

Mr. Benson: I am sorry. They were taken out of item 399a and put in item 491(1).

Mr. Nugent: Do I understand then that none of these items in 399a is of a class or kind made in Canada, or are they all? It certainly seems to me that some of them are and that the same sort of rules should apply, in that there should be two classifications. I am simply wondering what the reason is for only having one.

Mr. Benson: This happens when you go to the ones moved out of 399a into 491. There are two classifications in the latter item. Some of them are made in Canada and some of them are not. The recommendations followed were those of the tariff board.

Mr. Nielsen: Mr. Chairman, I want to ask the parliamentary secretary to give some explanation with respect to item 683, barytes. Are the rates listed on page 15 the same as

were in effect prior to the recommendations we are now considering? If there have been any changes made, would the parliamentary secretary explain why these changes were made?

Mr. Benson: Did the hon. member raise the question whether there had been any changes since the resolution was first introduced?

Mr. Nielsen: No.

Mr. Benson: This item was actually given as compensation. This is one of the items on which a concession was offered in the negotiations. To balance out other negotiated items we had to give compensation on three items. The most favoured nation duty on barytes was reduced from 25 per cent to 20 per cent. The barytes covered by item 683 is used as a filler in paints, varnishes and paper or as a flux or decolourizer in the manufacture of glass. It makes the glass more malleable and increases its lustre. The imports in 1963 were $3,000 from Germany and $193,000 from the United States. The item is relatively minor in total.

Mr. Nielsen: This is the reason I asked the question. Canada does produce barytes and that particular segment of our mining industry seems to be lagging. Yet we have some changes here which may further retard the growth of the baryte mining industry in Canada. I was wondering what the reason was behind the reduction.

Mr. Benson: The reasoning behind it was that an item had to be found in which compensation could be given in order to negotiate the whole package. With regard to barytes, I am informed that transportation is quite an important factor. As it is a costly matter to move it, the baryte mines of Canada feel they are adequately protected with a 20 per cent tariff on the importation of this material which is the rate that was negotiated. I might also point out to the hon. member that since this item was brought forward there have been absolutely no complaints from the barytes mining industry.

Mr. Nielsen: The baryte mining industry in Canada is so small that probably the complaints would be in direct proportion to the size of the industry. I question two of the statements made by the parliamentary secretary. First, he pointed out certain difficulties encountered in transportation, and yet we have several thousands of dollars in imports from Germany. It seems to me that the Canadian baryte industry could have perhaps supplied the same product that was obtained in Germany unless, of course, the German product was of a much higher grade or standard than that obtainable at home.

The parliamentary secretary also mentioned the satisfaction of the baryte industry in Canada with the protection afforded at a level of 20 per cent. I should like to ask the parliamentary secretary whether the department had any requests from the baryte industry in Canada for a reduction in the protection or for an increase, or whether it was the department that got in touch with some organization or some mining company for the purpose of considering the recommendation of the tariff board that the tariff be reduced from 25 per cent to 20 per cent.

Mr. Benson: Information with regard to the particular item was gained by the department from the tariff board report which dealt with barytes as used in the drilling industry, which already came in free and will continue to come in free. When the item was being negotiated with our trading partners in GATT it was felt that our tariff on this item was out of line with the tariffs of other countries on the same item, and that we could well make a concession on this particular item, which is not a major one. In addition, as I mentioned, to the best of our knowledge the industry has not objected at all to this change in the tariff.

Mr. Nielsen: That does not quite answer the questions I have asked the parliamentary secretary. I quite realize that the barytes used in the drilling industry are tariff free now, but barytes that fall within the classification affected by this tariff item are, as the parliamentary secretary has said, imported from Germany and the United States. As I understand it, and I may be mistaken on this score—if I am I should like the parliamentary secretary to set me straight—the baryte industry in Canada is capable of producing the standard or quality of barytes that is used in those industries which make use of the barytes that fall within the classification under discussion. If we import barytes from Germany instead of utilizing Canadian barytes, I should like to know why. If we can use Canadian barytes for the same purpose as those in this classification are used, then surely the argument advanced by the parliamentary secretary with regard to transportation costs would have no effect.

I ask this specific question of the parliamentary secretary concerning representations: Has he received representations from the baryte mining industry or from mining industry generally in Canada? Have any such representations been received with respect to this particular item? If so, I should like to know, and I am sure the committee would be interested in hearing of those particular representations and how they were made.

Mr. Benson: Perhaps I could deal with the second question first. No representations were made dealing with the first item. The barytes of the quality imported could probably be produced in Canada, as can many items of a quality imported in connection with other kinds of manufactured items and mining endeavours in the country. Without having knowledge of the individual importer and his reasons for choosing to import and pay the 20 per cent tariff, I can only guess at this. I would guess that for the use in a particular area it is probably cheaper to ship by boat from Germany than it is to have it hauled by rail in Canada, even though there is a 20 per cent tariff involved in getting it into Canada.

Mr. Nielsen: If I may just follow this question of the barytes up to its logical conclusion, Mr. Chairman, I may say to the parliamentary secretary that I am sure the officials sitting in front of him should have information on the point. It is my understanding that probability does not enter into it at all. The Canadian baryte industry does produce a product that can be used in the industries where the imported product is used. If this is so, it seems to me we should be doing all we can to encourage the development of that industry, rather than importing a product to the detriment of industry in Canada.

The parliamentary secretary did say the government had received no objections to the change. I suppose, naturally, the government would not receive any objection to a reduction in tariffs. My question was whether any representations had been made to the parliamentary secretary, and I understood him to say no. I asked another question about five minutes ago: Did the government request any representations from the baryte industry or from the Canadian metal mining association, for instance, on these tariff changes affecting baryte?

Mr. Benson: There were no specific requests made to the baryte mining industry or to the mining industry in Canada. However, this matter was heard by the tariff board, leading to the report. Everyone who is interested is usually invited by the tariff board to make submissions. The reason I said no objections were raised was that one finds, even in the brief experience in this department I have had, if there is a change in the tariff affecting even a small industry which they do not like, you hear about it very quickly.

People probably import baryte for many reasons. I cannot give you the reason they import baryte from Germany. I should point out that the amount imported from Germany totalled only $3,000 and the largest imports were from the United States. It is probable that even with the 20 per cent tariff they have to pay—it was 25 per cent at that point—there is an advantage in moving it across the border. Certainly, I agree with the general proposition that people manufacturing in Canada should be encouraged to buy their raw materials in Canada, but with the type of economy we have we cannot tell them that they have to buy them in Canada.

Mr. Nugent: I should like to deal with item 492, which is one of those items in which there is a difference if the article is of a class or kind made in Canada. This item deals with a very substantial quantity of goods in which I am rather interested because the industries producing those goods are located in my area. If the articles are of a class or kind not made in Canada the rather substantial tariff was removed, and I am quite sure that this is probably the result of representations made on behalf of the oil well exploring and production companies. I am sure this change will be welcomed by most of them.

However, I noticed that the reduction is also made, although not so great, where the article is of a class or kind made in Canada. This leaves a very small margin of protection for the local manufacturer. I think when you consider the small margin of protection, plus the expense that is involved in trying to determine whether an article is of a class or kind made in Canada, we will realize the local manufacturer has little or no protection here.

I may cite as an example the first item mentioned, bolted steel tanks and parts thereof. Steel tanks for the oil well industry are made up in all sorts of sizes, shapes and capacities, from relatively small ones servicing one well to some of the giant tanks which are used at the start of the trans-Canada pipe line. We can easily see that a local manufacturer who makes one specific type of tank or tank plates and has a competitor who sells a tank which is slightly larger or slightly smaller in size or a different shape, finds that it is a moot point whether or not this is of a class or kind made in Canada. I suggest that the rough and ready rule in determining the question is whether or not the article can be used for substantially the same purpose by the same people. I can see that many people are going to be upset by the decisions made in connection with this item because we can carry that same sort of argument to pumps such as chemical injection pumps. A pump can be used for chemical injection purposes and it can also be used for another purpose. It is difficult to make these distinctions.

I know there is always going to be difficulty in making these decisions. I am not quarrelling with the honesty of the officials who have to make the decisions. These decisions are difficult, no matter how skilled they are or how much they know about industry. It is for that reason I am questioning the very minor amount of protection that is left in connection with this item, where an article is of a type made in Canada. Where you have a very small amount of protection and you have no margin for error or confusion as to whether or not a person is entitled to the protection, it is going to make people discouraged. They will not invest their money in Canadian enterprise in those areas in which it would be most helpful to the oil industry.

I am sure that the question of the convenience to the oil industry is perhaps not sufficiently impressed on the minds of the officials concerned. In so far as oil production, exploration or the installation of these tank farms is concerned, usually the contractor has a contract in which a time limit is set. He has to deal with a highly technical crew, and the question of how quickly they can complete the installation becomes very important, not just from the point of view of keeping the contract but from the point of view of cost involved. The question of a slight difference in cost must always be weighed against the question of convenience, that is of having the article there. If there is any shadow of doubt about an article the contractor will import what he calls the exact one, even if the Canadian article might do, despite this 5 per cent or 10 per cent tariff, because the amount of money is negligible when compared with the time saved and the certainty the correct article will be available.

I suggest that this is a rather shortsighted approach by the government, because it is worth more than that 5 per cent to the oil industry to give encouragement to Canadian manufacturers to invest their money in building a product in localities such as my area, where it is most wanted. It is always advantageous to the user of these supplies to have the local manufacturer right at hand, where there is not a problem of quick re-establishment of supplies and quick expansion in case of demand, where he can get them quickly and where he is in direct communication with the manufacturer to speed up his production.

The manufacturer is right in the field. He knows what the demand is and what demand may be coming. He can adjust his production very quickly to meet the demand and, not only that, he can vary his product to meet more exactly the requirements and specifications of the purchaser. All of this makes me very dubious about the reduction in this instance, where there is something made mechanically.

Certainly I would be the last one to want to add anything to the cost of oil well production in my area, because it is very important there. I know many people are going to be very happy and will appreciate the reduction in free status where it is of a class or kind made in Canada; but I wonder what representations were received from the local manufacturers themselves, and what were the representations from the production people as to the reduction dealing with this specific point on the class or kind made in Canada.

Mr. Benson: Perhaps I could deal very briefly with the questions raised by the hon. member. If we look at item 492(1), although the tariff rate does involve a reduction with regard to bolted steel tanks, the large majority of the items that are contained in this new category in which there is a change in rates, were previously under the free items. I am informed of this by officials of the department.

In connection with the oil well equipment, I should point out that the tariff board had this reference made to them and took some two years in which to hear it, report back on it, and consider representations by all interested parties. The tariff board heard both sides of the question, and tried to work out a group of changes in oil field equipment which were reasonably acceptable to everyone.

You could never get a position where everybody would be happy with everything done in tariff changes, and one must also remember that when this recommendation was made and had to be implemented, there had to be negotiations with our trading partners involved in this. Under GATT to get a concession you have to give a concession. I think this is a fair way of dealing with our trade partners.

I believe the tariff board made their decision in all honesty and I am pleased the department accepted the tariff board recommendations. The net result on all oil field equipment, as I previously mentioned, was a slight increase, and that is why we had to reduce these other three items—bread, montan wax and barytes—in order to reach agreement with the people with whom our officials were negotiating.

Since these tariff items have come out there have not been any complaints received from any of the parties involved, which might indicate that, although they are not completely happy, they are not so upset that they are complaining, which usually happens if

people are very dissatisfied with the sort of deal that is worked out in the negotiations.

Mr. Nugent: One of the reasons I am a little dubious on this item is the fact the tariff board sat for two years on it, but in the oil industry where there are new finds made, and where the situation can change quite quickly, a situation of two years ago might not apply today. We have all heard of a new oil field in Alberta. It is almost an extension of the Swan Hills field. It is very close to it, and it looks as though the Slave lake field is going to be as important as the Swan Hills field.

Our suppliers are going to be very happy with the new field, but when they are going to invest their money—and I am thinking in terms of the establishment of industry in my riding and the well being of those established, especially the Canadian manufacturers—they have to look at the long term picture and view it from the standpoint of steady supply and production.

The conditions have changed. The steel plant in Edmonton has made an expansion and there will be more steel available than there was previously. There have been some new manufactures established on a rather small scale in my area, and I am sure the prospect of another large, new oil field, together with the known number of them, is the sort of solid indicator that Canadian manufacturers are looking for. That is why I was asking the parliamentary secretary particularly if there were any late representations—

Mr. Benson: None.

Mr. Nugent: —from production people, and what are the late representations from Canadian manufacturers on these tariffs involved in item 492.

Mr. Benson: I should point out that the report of the tariff board on reference No. 130 was tabled on October 7, 1963, and there were over three pages of companies which made representations to the board. The tariff board report, along with its recommendations which are contained in this resolution, has been available since October 1963, and as I understand it from officials of the department there have been no complaints. Nor have there been any complaints since the resolution itself was put on the order paper and became public knowledge, which usually occurs when people have a complaint. When a resolution appears on the order paper at the time of the budget speech, usually if people are terribly upset about it they will make complaints to the Minister of Finance, but that did not happen in this case.

[Mr. Benson.]

Now to deal with the other question, there may have been changes in conditions. Of course one can assume there have been changes in conditions over the period during which the tariff board had been studying this. But the people who were aware of these changes, and who have made decisions since October 1963, have made those decisions with the full knowledge of what the tariff board was recommending in this regard. It is also very unlikely that the point of profit or loss, if one is building a new steel plant, for example, is going to be materially affected by the difference between a 5 per cent and a 10 per cent tariff on this item. Mind you, it will affect it, but I do not think a 10 per cent tariff protection would be a great tariff behind which to build an industry.

Mr. Nugent: I would not want to quibble about words when the parliamentary secretary says there were not complaints. I take this to mean there were no representations whatever.

Mr. Benson: No writing, no correspondence.

Mr. Nugent: The oil industry is usually pretty quick to make its views known, and I am therefore encouraged by the fact that there have been no representations. But with my own knowledge of the oil industry, and particularly of the production end of it, of the supply of the tanks, treaters, separators and the pipe lines, I have a strong reservation in my mind, particularly where a company is just getting established, that a 5 per cent protection is not very much of an incentive, particularly where a person is trying to establish a new industry in competition with established importers who already have their customers, some of whom are in very set lines.

Over the past two years the efforts of the government have been to try and get more and more manufacturing industries in Canada, and that is the reason I am talking about the 5 per cent rate. The 10 per cent rate seemed to be enough of a margin to enable a new manufacturer to have a price advantage, but even that price advantage might not be sufficient in his favour. He may be able to compete on even terms with his United States competitor, but the handiness of local supply and delivery can give him enough to work on. I shall do some checking on this, something I should have done earlier, with regard to some of the newly started firms in my own area.

It seems to me that if there has not been been a complaint received it is because business is good—because there is just now tremendous activity. But this activity only lasts

a while and then they get back to normal, and this is when complaints may arise. I am afraid we are likely to have a lot of complaints as the new field develops to the point where the first rush of business is over.

Mr. Benson: I think the point made by the hon. member is well taken—that in boom times business is so good that one does not complain about such things as changes in tariffs. But the over-all effect of the changes in these items is in favour of the producer. In order to negotiate them with our tariff partners we had to include three items which were outside the oil field. We had to do this in order to reach agreement.

Mr. Kennedy: I should like to refer, for a few moments, to item 683—barytes. This is an important product in my area and its production employs a considerable number of men. I notice that the most favoured nation tariff is being reduced from 25 per cent to 20 per cent and I wonder how this will affect production of this material, particularly in the light of the fact that the market is a very competitive one. Is the recommendation of the tariff board being followed in this respect?

Mr. Benson: Perhaps the hon. member was not present earlier. I dealt with this item at some length then, indicating that when all the oil field items had been taken together there were slightly more increases in tariffs than decreases, and in order to adjust this we had to make some slight concession to our trading partners. This included three items, among them barytes. I pointed out at that time that imports of barytes were not large in 1963—$3,000 worth from Germany and $193,000 worth from the United States.

I said the question was raised as to whether or not we had written to the producers of barytes with respect to any objection they might have had to this item, but at that time my reply was that I did not know. I have since been informed by officials of the department that we did write to them, and there was no objection to this particular item.

Mr. Winch: Are we completely tied to each one of the individual items here or will there be any opportunity for us to discuss customs tariffs items outside those listed?

The Chairman: We are tied to the items before us in this resolution, and this resolution deals with specific items. The only discussion we can have here must relate to the items that are before the committee.

Mr. Winch: And the Chair will hold to that?

The Chairman: Yes, that is what I should like to do, and that is what we have been doing until now.

Mr. Nugent: Could the parliamentary secretary explain this item where it says both "10 per cent" and "free" and this continues right across the page?

Mr. Benson: Yes; the items included there come from several previous tariff rates. Suppose we take item 492. The items here come from former sections 446a, 427 and 848. Item 848 was a free item. The rates were 10 per cent, 22½ per cent and 35 per cent on items 446a and 427.

Mr. Wahn: This resolution relates to changes in schedule A, and I should like to ask the parliamentary secretary whether there is any particular reason for not repealing item 848a as recommended by the tariff board. I should like to refer specifically to a situation which arises under item 848a. Perhaps I should disclose the fact that the firm of which I am a partner acts for several companies interested in the production of potash in Saskatchewan.

I am advised by people who, I believe, know what they are talking about, that in this item there is a reference to muriate of potash, whereas fertilizers generally are dealt with in item 663b. The reference to muriate of potash in 848a will have the effect of placing producers of potash in a disadvantageous position as compared with producers of other fertilizers. Was any consideration given to clearing up this point, because this situation is apparently the result of an oversight in drafting the original item.

Mr. Benson: I am informed that this was not an oversight. Actually, the item to which the hon. member is referring, item 848a, is dealt with in the second report of the tariff board. The report which is being implemented is the first report, that dealing with oil field equipment. The other report, which was tabled on February 25, 1964, is not being implemented in this particular resolution.

Resolution agreed to.

Resolution No. 2 agreed to.

3. That schedule A to the Customs Tariff be amended by striking out tariff items 9j, 156, 196, 237a, 356b, 440m1., 440n1., 440r., 521(2), 521(7), 621(8), 611a(4), 681c and 696a, and the enumerations of goods and the rates of duty set opposite each of these items, and by inserting therein the following items, enumerations of goods and rates of duty:

Mr. Nielsen: On the matter I raised concerning the tariff on imported aircraft of a class or kind not made in Canada, may I begin by saying that those interested in aviation in Canada generally, and I am not simply

speaking of the air line companies, are very concerned about the intentions of the department with respect to the imposition of what has amounted to a controversial 15 per cent tariff on aircraft exceeding a gross weight of 2500 pounds but not exceeding 4500 pounds.

The application for the imposition of this tariff was first made by an Ontario aviation company, and I understand it has been under consideration in the department, as well as by the government generally, for some time. I do not believe the government has made any decision as yet. In the absence of such a decision there is a good deal of unrest among aircraft outlets in Canada and, indeed, there has been some speculation in aircraft sales and purchases. I believe it would be in the best interests of the industry as a whole if the parliamentary secretary could now state just what is the policy of the government in this regard and say whether or not the tariff is to be imposed. From the wording of this item no. 440m, it appears as if the tariff will be imposed on and after July 1, 1965. I may be incorrect in this assumption and, if I am, I hope the parliamentary secretary will so inform me.

I know the suggestion has been made to officials of the department that rather than impose a 15 per cent tariff on aircraft of the weight in question, when imported into Canada, there should be an abandonment of the United States tariff now imposed on aircraft of a gross weight above 4500 pounds. This, of course, would result very favourably in this way, that the aircraft industry of Canada would enjoy a freer flow of trade between Canada and the United States, particularly such companies as de Havilland, who sell a good many Beaver aircraft all around the world. The Otter aircraft is another I can think of, and the Caribou is finding growing popularity around the world. If the United States were to drop the tariffs now imposed on that classification of aircraft, rather than Canada imposing its 15 per cent duty on aircraft of between 2,500 and 4,500 pounds gross weight, I think probably the side effects would be a good deal more beneficial to Canada than the result of this tax.

We are in this position, that there is no aircraft manufacturer in Canada today that manufactures aircraft of less than 4,500 pounds gross weight. Most of these are imported from the United States. Cessna Aircraft Corporation provides a good proportion of the market, as does Piper and the Beechcraft Corporation. Now we have one Canadian manufacturer—an enterprising manufacturer, I might say—who is coming along with a five-place aircraft of between 2,500 and 4,500 pounds gross weight. The immediate thought is that in order to give protection to this growing industry we will put a tariff on such aircraft coming into this country, but I do not think that is a healthy way of encouraging the growth of the aircraft industry in Canada. I will have more to say about that matter if the parliamentary secretary cannot say now that government policy is not to impose this tariff.

Mr. Benson: Mr. Chairman, I would like to deal with item 440m(1) and 440n(1), which is an extension of the present free entry provision for a year. One of the questions raised by the hon. member was the reduction or removal of both the United States and Canadian tariffs on aircraft. This possibility will be raised at the GATT negotiations; I can give him this undertaking. As a matter of fact, detailed submissions in this regard are presently being considered by the tariffs and trade committee which was set up by the government in anticipation of the GATT negotiation. This committee is under the chairmanship of Mr. Norman Robertson, with Mr. Hector McKinnon as the vice-chairman. As to the question raised by the hon. member with respect to special types of aircraft, this speculation has arisen from a request to the Department of National Revenue by a firm in Malton, Found Brothers Aviation Ltd., for a change in the made in Canada classification of certain aircraft under item 440m. At present only single engine, fixed wing aircraft for civilian use weighing from 4,500 ot 8,000 pounds are ruled to be of a type or size made in Canada. This provides protection for such aircraft as the Otter and Beaver aircraft manufactured by de Havilland.

Found Brothers have asked that the made in Canada ruling be extended to cover aircraft weighing from 2,500 to 4,500 pounds in order to provide a 15 per cent duty for a new model which they are producing, weighing 2,950 pounds. This request is under review by the Department of National Revenue. If and when any changes are made in the present ruling, they will be issued in the usual way by the Department of National Revenue.

I cannot say that the government policy is so-and-so in this matter, because this is a matter which is under consideration at the present time and a decision has not been made at this point.

Mr. Nielsen: Mr. Chairman, can the committee be assured at least to this extent, that there is going to be no imposition of the controversial 15 per cent tariff on aircraft weighing between 2,500 and 4,500 pounds imported into Canada, at least until July 1, 1965? Can the parliamentary secretary give us that assurance?

Mr. Benson: I do not think I can give that undertaking, Mr. Chairman, because it turns on the decision made on the facts of the case raised by Found Brothers whether or not such aircraft are going to be classified as of a type or size made in Canada. The answer to the second question asked by the hon. member hinges on the answer that I gave to the first question; so really I cannot answer the second question in the affirmative without answering the first one positively, which I did not do.

Mr. Nielsen: What I am trying to do there, Mr. Chairman, is end some speculation that has been generated as a result of the indecisiveness of the government in this connection. Here Found Brothers have made an application to the department. This application was made several months ago, and knowledge of it has become quite general throughout the aircraft industry in Canada. Therefore you find dealers in aircraft scurrying to import them from the United States in order to stock them and sell them before what they fear will be the imposition of this 15 per cent duty.

The matter has been before the government long enough now, surely, for them to end this type of speculation and this anxiety within the industry in Canada, simply by saying what is the position. If they cannot say now, "We have decided to impose the 15 per cent tariff", surely the parliamentary secretary could at least rise and say, "We have not yet done so, but it is our intention to bring the matter to a head and announce a decision within the next two or three months", or whatever it might be—perhaps in 60 days.

Mr. Benson: I should indicate to the hon. member, Mr. Chairman, the difficulty in regard to this particular question. The particular firm, Found Brothers Aviation Ltd., which has raised this question, had until recently only produced two aircraft of this particular size. You then have the Department of National Revenue faced with having to make a decision as to whether or not specific types of aircraft are of a type or size made in Canada when there is a very small production of these aircraft in Canada. This has to be a matter of fact, and I would say one would have to see how these people are going to produce; if their production line is going to go along and they are going to produce quantities of this aircraft. After seeing what is done in this regard, one can make a decision.

As I understand it, only two aircraft have been produced, and one can hardly make a ruling that something has happened based on a very small production such as this. This is the situation we face at the present time. Nevertheless, they have asked the department to consider whether or not this aircraft can be ruled as being of a type or size being made in Canada, and the department will keep looking into this matter and come up with a decision as soon as it is physically possible.

Mr. Nielsen: This is the type of answer we have been getting to questions time after time when they have been asked in the house. Here we have speculation that is growing day by day because of the indecisiveness of the government on what seems to be a relatively simple decision to make. I think the parliamentary secretary is looking at the problem from the wrong end of the stick. Instead of saying, "We are not deciding because all we have involved here are two aircraft", he should perhaps be looking at it from our point of view and saying, "We are going to decide not to impose the 15 per cent tariff on this classification of aircraft imported into Canada", because there have been only two produced since Found Brothers went into production, if for no other reason.

But quite apart from that, the parliamentary secretary should consider, too—if my information is correct—the representations that have been made, or the feelings of the management of Beechcraft Corporation, Piper Corporation, Cessna Corporation, de Havilland Corporation. All these Canadian and United States aircraft manufacturers seem to be in accord with the principle of eliminating the tariffs entirely. This undoubtedly would redound to the lasting benefit of the Canadian aviation industry and would encourage the growth of that industry. It is astonishing if, in the face of the representations made by the United States aircraft industry in this particular field of aircraft production, the Canadian government should have any difficulty whatsoever in negotiating the mutual abolition of tariffs on aircraft crossing both ways across the border.

Mr. Benson: Mr. Chairman, the hon. member has indicated some indecision. I really do not believe there is any indecision, in that the department holds these aircraft at the present time as not made in Canada. Therefore the only indecision that has arisen is because of a rumour that someone starts, or speculation that someone starts, that we are going to impose a class or kind legislation ruling with regard to this particular type of aircraft. The speculation does not come from within the government; the government's position is firm in this regard. We are standing on the position that they are not at the present time made in Canada. This is our position at this point. As we have said, the government intends to keep looking at this matter as the

production of these aircraft increases with this particular firm.

If a point is reached where they can say it is of a class or kind made in Canada perhaps a change in the present ruling will be made. Nevertheless the present ruling is a firm one. There is nothing wishy-washy about it and the government is not hedging in the matter. They simply say that they are not made in Canada, and all the speculation and letters written last month was a result of someone starting a hot rumour about something they did not know too much about.

Mr. Nielsen: I really cannot let the parliamentary secretary get away with that. He knows as well as I do that his departmental officials have been corresponding not in any way confidentially with people outside the department in connection with the imposition of the 15 per cent duty. So that when he says that there has been an unfounded or a hot rumour floating around the country about the imposition of a 15 per cent tariff, he is talking through the top of his head, because it is his department itself which received the application from Found Brothers. It was also his department which exchanged correspondence with Found Brothers and others, which has given substance to this consideration, not rumour. The parliamentary secretary said this afternoon that his department is considering the imposition of this duty, so it is not simply a rumour. The speculation which requires to be terminated now is that there is going to be a 15 per cent duty imposed on this classification of aircraft imported into Canada; and so that everybody in the Canadian aviation industry can rest at ease the government should end this speculation which has been generated as a result of its own indecision. The consideration of this matter, as the parliamentary secretary knows—and if he does not know he should—started in his own department back in 1963. It seems that the passage of some eight months is a little too long; that is why I say there has been an indecisiveness displayed on the part of the government in dealing with this matter.

Mr. Benson: I can answer the hon. member fairly easily. First of all it is not our department at all about which he is talking, but the Department of National Revenue. They consider this matter.

Mr. Nielsen: Well, it is your resolution.

Mr. Benson: Yes, the resolution comes under the Department of Finance. But an application was made to the department to make a class or kind ruling in this particular instance. The department then corresponded openly with people who were going to be involved in any such ruling, and it is quite necessary that they do this. For example, anybody can manufacture anything for which there is a preferential tariff, if it is of a class or kind made in Canada. An application can be made to have something ruled as a class or kind made in Canada, in which case the department will immediately start correspondence with the people concerned. But this does not mean—

Mr. Nielsen: It is not a rumour then, is it?

Mr. Benson: The rumour which I intimated was being spread was that we are going to make a certain kind of ruling in this instance. It has to be considered. Everybody concerned has to be considered, but no class or kind ruling would be made until 10 per cent of the normal market is manufactured in Canada. That is the basis on which a ruling is made. The department will continue, of course, to look into the matter and watch what is being done, which is what they should do. I think that the speculation which was rampant last month arose out of somebody indicating that a change was going to be made.

Mr. Nielsen: I did not say it was rampant. I think I should draw the matter to a logical conclusion by saying this. If I can interpret the waffling which the parliamentary secretary has done around this matter, what he is saying in effect is that the government has not yet made up its mind in connection with the imposition of a 15 per cent tariff, despite the fact that it has been under consideration for eight months or more; and that no firm word at all can be given to the Canadian aviation industry at this time. Is that the position which the government is taking?

Mr. Hahn: I rise on a point of order. I submit the argument raised by the hon. member is completely out of order, Mr. Chairman. We are discussing a change to a tariff item in a resolution. Certain tariffs are set up for aircraft of a class or kind made in Canada. The whole subject matter raised by the hon. member opposite concerns a ruling as to whether or not an aircraft is of a class or kind made in Canada. If it is, it falls under a certain tariff item; if it is not it does not. It has nothing to do with the tariff as such, so I feel that the discussion which we have had is completely out of order. We should be discussing only the item in the resolution which concerns the amount of tariff. Whether an item falls in or out of a class or kind made in Canada ruling is a matter for the Department of National Revenue and should not be discussed here.

I might say that I have strong sympathy for the case which the hon. member is trying

to put forward. I do not want to see this tariff imposed, but I think that this is the wrong place to discuss it.

Mr. Nielsen: The hon. member may not have been in the chamber when I opened my remarks in connection with this item. The general principle which I put to the parliamentary secretary was that of the abolition of the tariff entirely, both from Canada and from the United States, on classes of aircraft now affected by this particular resolution. Then I went tendentiously into the matter of broadening the class or kind of aircraft which is going to be ruled as of a class or kind made in Canada, and it seemed to me that on that ground I was in order.

Mr. Nugent: Might I just say a few words in respect of the remarks made by the parliamentary secretary. While the hon. member for Yukon says that reports of what the government intend to do may not be widespread, may I say that I have received a great deal of communication, mostly from private aircraft users, potential purchasers, etc. Bearing in mind that this comes into effect on and after July 1, and in view of the fact that the parliamentary secretary can give us no assurance as to when the government can be a little firmer in its attitude in this connection, would the government not consider withdrawing this at this time, and bringing it forward once the industry which caused this application to be made has been more firmly established, or given some indication that they will get 10 per cent of the market. In this way there would be a little more certainty both in the industry and in connection with potential purchasers?

Mr. Benson: To withdraw this resolution at this time because the item runs out on July 1 would mean that it would have exactly the opposite effect to what the hon. member wants. It would mean that all aircraft would be subject to 15 per cent tariff coming into Canada.

Mr. Nugent: You could withdraw the 15 per cent.

Mr. Benson: No, I do not think we should withdraw it. This is a class or kind problem which arises, not just with regard to aircraft but with regard to many other items. The department must of necessity look at these matters on a continuing basis. Its present decision is not waffling. It has made a firm decision that the present ruling is that these aircraft are not of a class or kind made in Canada. That is a firm ruling, as I stated before. Someone has made an application for a change in that ruling with regard to a particular type of aircraft, asking that it be ruled as a class or kind made in Canada. This decision will not be made. One cannot rule it as of a class or kind made in Canada until the producer has obtained 10 per cent of the Canadian market. As far as I am informed, the producer has only produced a very small number of aircraft. One cannot say that the matter is closed forever because the position may change in the relatively near future or in the distant future.

Mr. Horner (Acadia): Then can we wind this up with a commitment from the parliamentary secretary that this tariff will not be imposed until the company concerned obtains 10 per cent of the market?

Mr. Benson: That is true in a general way.

Mr. Nielsen: Before the item carries, as a matter of interest to me personally I should like some explanation from the parliamentary secretary of the changes proposed in item 156. I notice that whisky, gin, rum, brandy and liqueurs are affected. I will stop there because I am not interested in the next category, ethyl alcohol. I might say to the parliamentary secretary that I come from a territory known for having the largest per capita consumption of gin, rum, brandy, scotch, rye and the like in Canada. Therefore we are vitally interested if we are going to have to pay more for a bottle of whisky.

I might say that I personally was introduced to what some people call the evils of that devil rum and others call the joy of whisky by a person now in the Department of National Revenue, so these items have a certain nostalgia for me. I should like to have the parliamentary secretary explain what the government hopes to achieve by the changes proposed in this item unless, of course, sobriety is the only reason, in which case we could leave the matter there.

Mr. Benson: I can tell the hon. member very quickly what the change will be. The effect of the change in duty will be that the duty will be paid on the actual content of a bottle rather than on the hypothetical content of a bottle. Previously it was assumed that a bottle contained 26⅔ ounces. The result was that the same duty had to be paid on a bottle containing 25 ounces as on a bottle containing 26⅔ ounces of that blessed fluid.

Mr. Nielsen: Smaller bottles under the Liberals.

Mr. Benson: I can tell the hon. member generally that by putting whisky in a 25 ounce bottle rather than in a 26⅔ ounce bottle the saving in duty and taxes will be about 11 cents per bottle.

Mr. Nowlan: Did you get the approval of the association of Canadian distillers for this change?

Mr. Benson: No.

Resolution agreed to.

Resolution No. 4 agreed to.

The Deputy Chairman: This completes the Customs Tariff. The committee will now proceed to the consideration of the resolution to amend the Estate Tax Act.

Mr. Nowlan: No, Mr. Chairman.

Mr. Benson: Would the Chairman consider rising and reporting progress? Perhaps we could then have first reading of the bill. We might even have second reading, as the bill is the same as the resolution.

Mr. Nowlan: With smaller bottles I think we will only proceed one step at a time.

Resolutions reported and concurred in.

CUSTOMS TARIFF

Hon. Guy Favreau (for the Minister of Finance) moved for leave to introduce Bill No. C-92, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

The Acting Speaker (Mr. Batten): When shall the said bill be read a second time? Next sitting of the house?

Some hon. Members: Now.

Mr. Nowlan: Next sitting of the house.

The Acting Speaker (Mr. Batten): Next sitting of the house. Does the house agree to call it five o'clock at this point?

Some hon. Members: No.

Mr. Favreau: Agreed.

Mr. Nowlan: It is not five o'clock and if anyone is objecting I am sure the parliamentary secretary would be prepared to make his preliminary statement on the Estate Tax Act resolution.

Mr. Benson: I would be very pleased to do so if we may revert to committee for this purpose.

Mr. Nugent: Let us go on with private members' hour. I am sure hon. members at the other end of the house are just having a little fun and would not really want to see the parliamentary secretary start on his statement for a period of only a minute or two, when it would be much more sensible to proceed to private members' hour now.

The Acting Speaker (Mr. Batten): Does the house agree?

[Mr. Benson.]

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): It being five o'clock p.m. the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions and public bills.

PENSIONS

SUGGESTED CHANGE OF TERMINOLOGY IN LEGISLATION

Mr. H. Russell MacEwan (Pictou) moved:

That, in the opinion of this house, the government should consider the advisability of changing the terminology in the designation "old age" as contained in both the Old Age Assistance Act, being chapter 199 of the Revised Statutes of Canada, and amendments thereto, and the Old Age Security Act, being chapter 200 of the Revised Statutes of Canada, and amendments thereto, to a more worthy designation, so that the aforesaid will be known as the "senior citizens assistance act" and "senior citizens security act" respectively.

He said: Mr. Speaker, in introducing this resolution may I say that I placed the same resolution on the order paper of the house last session but at that time it was not reached for discussion. I have presented it again this session and it now appears as No. 14 on the order paper. I do not intend to speak for long. I hope hon. members in all parts of the house will have something to say on it and will agree with the resolution I have put forward.

I should like to refer to how the matter came to my attention, and perhaps it has come to the attention of other hon. members in a similar way. One day I was speaking to a constituent of mine who is a retired C.N.R. worker and who is far from what might be called old age. He retired from the Canadian National at their retirement age. He is a man who was very active while working with the C.N.R. and has been active later in many community projects.

He suggested that there should be some changes in these acts. He said to me: "I do not feel like I am old. What do you think about this?" I said to him that I had heard the designation "senior citizens" used for a number of years in various parts of the country and I told him that the best and only way I knew to bring this matter to the attention of the government was to bring it forward by way of a notice of motion in the House of Commons.

It has been my experience that many men and women in the group from 65 to 69 who come under the Old Age Assistance Act and in the group 70 and over who come under the Old Age Security Act certainly are not what one would call old. So far as political life is concerned, I must say that in working with

different organization chairmen, other supporters and also constituents of mine in the last few years I have found that those in these two age groups have given me good advice and I have also enjoyed their company. My mind goes back to the days when I was attending college and working in and around the coal mines of my constituency. I recall quite well various people in these age groups with whom I worked. May I say that, although I was a young man at the time, they put me to shame by the amount of work they could do. I noticed that just within the last year or so some of these people celebrated their 60th wedding anniversary, at which time I was able to congratulate them. In my opinion, they are certainly far from old age.

May I point out briefly the history of the two acts involved in this resolution? Some of the social welfare measures which have come to occupy an important position in the Canadian system of social justice may be summed up as follows: first, the original Old Age Pension Act of 1927 provided a maximum pension of $20 per month. The federal contribution at that time was limited to one half the cost. In 1931 the act was amended and the federal share was increased to three quarters of the total cost. The original act was further amended to increase the amount of pension to $25 per month in 1943; to $30 per month in 1947; to $40 per month in 1949—

The Acting Speaker (Mr. Batten): Order; I hesitate to interrupt the hon. member but I should point out to him that the resolution before us is one to change the terminology of the Old Age Security Act and the Old Age Assistance Act. I suggest to him that a discussion of the amounts of these pensions is not within the terms of this resolution.

Mr. MacEwan: I was not trying to get into any political wrangle. I was giving the history or background of these two acts, and in doing this I assure you, sir, I will arrive at the terminology shortly. This was the history of the set-up of these acts and the names of these acts.

However, I shall go on, and I point out that a major step was taken in 1951 when the federal-provincial scheme of assistance to the aged and blind was completely altered by the enactment of the Old Age Security Act, the Old Age Assistance Act and the Blind Persons Act. This was a major step which was taken at that time. The principal changes were the adoption of pensions for all persons 70 years of age and over by the elimination of the means test, the introduction of contributory taxes for the purpose of financing this enlarged scheme, and the granting of assistance payments on the basis of a means test to persons 65 years of age and over.

As I have pointed out, this is a brief history of these two acts as they have come forward and the terminology adopted in 1951 has been the terminology used since that time. They have been called, of course, the Old Age Assistance Act and the Old Age Security Act.

Mr. Francis: Will the hon. member permit a question, Mr. Speaker? In the course of his review of the legislation, which I found very interesting, did he come across any submissions which supported the claim he is now making, that there should be a change of name? It seems to me there was a joint committee of the Senate and the House of Commons which reviewed the matter fairly extensively in 1951. Did he come across anything which would support his demand for a change of name?

Mr. MacEwan: I take it the hon. member has gone into this question more thoroughly than I have. I understand that there have been quite a number of submissions in this regard to the Department of National Health and Welfare, and possibly to the committee as the member suggests. I believe that this terminology, as I have already stated, is used throughout the country. It has been used in housing groups, low rental units for older people and even in this House of Commons. About two weeks ago during the debate on a resolution introduced by the hon. member for New Westminster (Mr. Mather), I noticed on checking *Hansard* that almost all of those who took part in the debate referred to our older citizens as "senior citizens".

Now, the saying goes, Mr. Speaker, that a person is only as old as he feels. If I may go back a few years and think of my own family, I know that my Scottish great grandfather, because of the independence of his race, certainly never wanted to be called old aged even to his last day. I believe the same thing can be said of other groups in this country.

Mr. Greene: Will the hon. member permit a question? I wonder if the hon. member is alleging that his respected grandparent would have liked to be called a senior citizen?

Mr. MacEwan: Well, the hon. member is learned in the law and can draw his own deductions. I know that I am proud to be of the Scottish race. The hon. member will make his own deductions. I think perhaps he would have liked that designation; I am quite sure he would have.

May I refer briefly to the Canada Year Book for 1963-64 to give the house an idea of the numbers in these two groups in Canada? These are the last statistics which I have available, although I believe within

the last few days the department has put forward statistics which may be more up to date. I am referring first to the Canada Year Book, 1963-64, page 295 and then to page 296. On page 295, table 3, I find that as of March 31, 1962 there were 927,590 recipients of old age security in Canada. Just for the record, perhaps I may refer to the province of Nova Scotia, in which there were 42,572 old age security recipients. I refer now to page 296, table 4, old age assistance. As of March 31, 1962, there were 98,944 recipients and in the province of Nova Scotia, 5,248 recipients.

I know that various things have been said about old age. I came across a little piece in a pamphlet known as "Industry", which is published monthly by the Canadian Manufacturers' Association. There is a little quotation here which took my fancy at the time and which refers to the great actor Maurice Chevalier. I quote from this publication:

"Old age," in the words of the irrepressible Maurice Chevalier, "is not really so bad, especially when you consider the alternative."

This is all I have to say on this matter. I have taken a few minutes of the time of the house and I hope hon. members, if they will not accept the designation "senior citizen" will perhaps have some other ideas. In my opinion, the designation of these two acts should be changed. I hope the government will consider the change because it would mean, perhaps, spending only a few dollars to change the letterheads of the two branches concerned. I believe these designations would be more appropriate and would be accepted by all Canadians. I hope they will be accepted by the government and by all parties in the house, and I ask for the endorsement of this resolution.

[*Translation*]

Mr. G. C. Lachance (Lafontaine): Mr. Speaker, I listened with much attention to the interesting speech made by the hon. member for Pictou (Mr. MacEwan) and I wish to congratulate him for presenting that motion to change the term "old age".

Last year, Mr. Speaker, I put on the order paper a similar motion bearing no. 30 but the session came to an end before it could be discussed.

That motion, which was put on the order paper at the very beginning of the session, that is on May 17, 1963, read as follows:

That, in the opinion of this house, the government should consider the advisability of amending the titles of the old age assistance and the old age security acts and deleting the words "old age" from official documents, and substituting therefor a more appropriate designation which will not reflect on the status of recipients of such payments.

Mr. Speaker, I did not suggest then any particular terminology, knowing that such a

matter could be discussed and that the officials of the department as well as the hon. member would certainly be qualified to make suggestions.

However, I have been pleased to note this year that the hon. member for Pictou had put a similar motion on the order paper. I note that he suggests some terms which obviously in French may not have the same meaning as in English. In English, the legislation is called the "senior citizen's assistance act" which has been translated in French by "Loi sur l'assistance aux citoyens d'âge avancé." This could evidently lead to a rather interesting debate, to wit if the French translation conveys the idea of the hon. member for Pictou when he refers to "senior citizens".

Now, Mr. Speaker, a discussion to establish whether the French translation well renders the meaning of "senior citizen" in English, would be rather academic in itself. But I entirely agree with the hon. member for Pictou.

On the other hand, when I put that motion on the order paper last year, I stirred up the rage of certain newspapermen. I believe that if the hon. member for Pictou is not yet the butt of their attacks, he will soon be. This proves that everybody cannot share the same opinion.

Last year, on May 25, that is a week after I put this motion on the order paper, a well-known Ottawa paper, the Ottawa *Journal*, said this in an editorial:

[*Text*]

Is old age a disgrace, a shame?

[*Translation*]

The newspaperman was referring to the term "senior citizen".

[*Text*]

Mr. Lachance, a Montreal Liberal, makes it sound as if it were.

He has put on the House of Commons order paper a notice of motion to have the government consider the advisability of amending the titles of the Old Age Assistance and Old Age Security acts and deleting the words "old age" from official documents.

He would substitute "a more appropriate designation which will not reflect on the status of recipients of such payments."

Age is an honourable estate, we wish our friends old age, we associate age with wisdom and we each have the ambition to make a hundred or more. If not "old age" what then? If Mr. Lachance proposes to change "old age" to "senior citizens" we hope every over-70 sends him a poison letter.

[*Translation*]

Mr. Speaker, I have no doubt that the hon. member for Pictou will be a butt for the newspapermen, if he has not already been so, following this discussion today.

As I said a while ago—

[*Text*]

Mr. MacEwan: Don't worry about me, worry about yourself.

[*Translation*]

Mr. Lachance: Which shows that everyone cannot share the same opinion. But I think that when a person reaches about 70 years of age and receives then his old age pension, it is an honour, although some people may get it before.

Some people are inclined to think of the old age pension as a disgrace, a stigma, while in fact it is rather an honour done to our citizens who have acquired the right to be thanked for the services they have rendered to their country.

I fully agree that we should change the words "old age" and replace them by others which, perhaps, could mean or imply the receipt of a retirement social pension. It is obvious that several other names could be suggested.

I have noticed that in some districts of Montreal, one of whose ridings I have the honour to represent—and I know that this is true also in other regions of the country—one hears about "the golden age". Those are clubs of people who have reached a certain age, and their membership is large. They organize recreational activities for their members. Known as "golden age clubs", they are very popular in Montreal and their members are very happy to belong to them.

We might adopt such a name that would not reflect on people's age. I sincerely admit that it is not very pleasant to get an old age pension and feel it is something to be ashamed of. I am convinced that it is because of our standard of living that life expectancy has increased in Canada and that old age has lost so much of its importance nowadays that a person is old only inasmuch as he feels old.

We all know people who, in spite of the fact that they are well advanced in years, feel young at heart, wish to remain young and have no intention of being considered as older citizens. One is old only if he says he is old and acts accordingly. Some people are old at 20 whereas others feel so well at 80 that they set an example to many much younger persons.

Consequently, I wish to congratulate the hon. member for Pictou once more. I feel the wording should be changed but I am not sure whether the words "senior citizens" would be appropriate. The expression "golden age" could surely be used. We could also speak of a "retirement social pension" or of a "national retirement pension". There are other words, but the English expression "old age" and its French equivalent "vieillesse" as in old age pension and "pension de vieillesse" are old-fashioned.

Nowadays, people are not old when they reach a certain age. What would happen if the government suddenly decided tomorrow to grant old age pensions at age 60 as it has often been suggested in the house? Would it mean that people would be old at 60 years of age? And if this process should continue, a day might come when people would receive an old pension at 55 years of age. Would that mean that because they have reached that age they would be in the "old age pension" class?

The old age pension should not be related to a matter of age. It would certainly be beneficial if the terminology relative to social legislation were to be changed, because it is not intended to stigmatize the citizens, but rather to help them and to prove to them the nation's recognition for their good work of the past.

Finally, Mr. Speaker, I hope that the newspapermen, or rather the newspaperman who, last year, was good enough to express his opinion on this subject—he was certainly at liberty to do so and I congratulate him—will have changed his mind this year and that he will accept such an excellent suggestion.

[*Text*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I think it is a good idea for us to take a look at the terminology of the two pieces of legislation to which reference is made in the motion now before us. Therefore I join with the hon. member for Lafontaine (Mr. Lachance) in congratulating the hon. member for Pictou (Mr. MacEwan) for inviting us to have this discussion this afternoon.

I must say that there is something to the suggestion that the word "old" and the words "old age" do, sometimes, suggest something unpleasant and if we could find better terminology it would be a good idea. However, I am not completely sold on "senior citizens" as a phrase to take the place of "old age" in this legislation. As the hon. member has just said, if we bring down the retirement age we may be paying old age pensions to people who are not as senior as pensioners are now. None the less I think it would be a good idea for us to look at this. Others may come up with suggestions, and perhaps our friends in the press will not only make comments on what has been said here today but may themselves come up with suggestions. I wonder whether we cannot at least "try on for size" such phrases as "the retirement security act" or "the retired persons act" or "the retired persons pension act".

I am interested in the comment made by the last speaker as to finding a word or terminology which can be used easily in both our official languages. That will always have to be considered, but it does strike me that the word "retirement" in some form might fit a little better than the word "senior". In any case, if we can get rid of the word "old", that might be desirable.

I must say that when one talks about a stigma in relation to this legislation, not many people feel that it is so much of a stigma to have the name "old age" applied to their pensions as it is to feel the stigma of the means test in the case of pensions under the Old Age Assistance Act and the inadequacy of the amount in the case of payments under the Old Age Security Act. If we are interested in doing away with a stigma, the thing to do is to make the other kind of improvements in this legislation. I can see already the letters that some of us are going to receive after this debate. We are going to get letters from old age security recipients across Canada who will have noted this debate, and they will say: What are you worrying about the name of the act for, when what we are concerned about is having an adequate pension on which to live in this day and age in the light of the kind of economy we have at the present time? When we are talking about changing the names of this pension legislation we might bear in mind as an ideal getting rid altogether of what we now call the Old Age Assistance Act. I hope the day is not far off when a combination of the Old Age Security Act with its being made available at a lower age, together with the protection of the Canada pension plan, if we are ever to get it on the statute books, will do away with the necessity of any means test on old age pensions for those between the ages of 65 and 70.

Mr. Speaker, you have been very lenient with me. I realize I have got away from terminology. I have been talking about such things as the amount of the pension, the means test and the Canada pension plan. But I do suggest that if we are concerned about a stigma—and that word was used by a previous speaker—we must be concerned not only with the naming of the legislation but with its terms. In other words, as was said by the hon. member who has just spoken, we must be concerned not only with the terminology but with the terms of the legislation. Nevertheless I believe it is a good idea to think about this for a bit this afternoon.

Mr. S. J. Enns (Portage-Neepawa): I am sorry I was not in my own place when I first rose, Mr. Speaker. I do not wish to add very much to the discussion, but simply to say that I join with previous speakers who have discussed the noble enterprise of changing the names of the acts referred to. I agree there is something depressing about the names now used—"old age assistance", "old age pensions", and so on.

I wonder, though, if we cannot undertake a more complete provision and think in terms of an encompassing program to meet the total social needs of our people, and not have a fragmentation of programs dealing with old age, blindness, disability, unemployment and so forth. We find, now, that these programs have been devised in a piecemeal way to meet separate needs, and I think the time has come when we should consider some over-all social security program which would at the same time erase the names to which the hon. member for Pictou (Mr. MacEwan) objects. Such a proposal might well eliminate overlapping costs of administration and lead to a better service to the individuals affected. I think that at the present time a great deal of money is needed to run these separate programs. We have a whole hierarchy of systems. If there were an over-all social security plan for Canada it would represent one answer to the problem raised by the hon. member for Pictou, who wants to change the names of these acts.

Mr. Knowles: Would the hon. member permit a question? Does he realize that he may have stumbled right there upon a good name for all of this legislation—"the social security act".

Mr. Enns: I certainly have no objection to that. But I was really saying there is a more basic problem, that of erasing a fragmented approach to meeting people's needs. "Social security" might well be acceptable to the hon. member for Pictou as well.

Mr. J. J. Greene (Renfrew South): First, I would join with other members in commending the hon. member for Pictou (Mr. MacEwan) who brought this matter before the house. I might point out that we expect measures both enlightened and learned from the hon. member for Pictou who is an incumbent of the west block, which is rapidly becoming known as the source of most of the grey matter and intelligence of the house.

Mr. Knowles: Order.

Mr. Greene: In particular, I may point out that the hon. member for Pictou is from the *sanctum sanctorum* of the west block, namely the third floor, the very epitome of all learning in that venerable institution. I would point out, with respect to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles), that I was somewhat disturbed that he did not include in his general plea for

security for those in need, without the necessity of the means test, those most deserving of persons who are now faced with this embarrassment, pettiness and smallness that is emcompassed within the means test, namely the recipients of the war veterans allowance.

If I may be so bold, Mr. Speaker, I would like to embody within the remarks he has made a plea that they, too, be considered not only for increased allowances, which is very badly needed at the present time, but for the receiving of those allowances without the embarrassment of the means test, which is now their lot.

Mr. Knowles: Hear, hear.

Mr. Greene: I was also somewhat taken aback to learn that the hon. member for Lafontaine (Mr. Lachance) had been taken to task by one of the local newspapers by reason of bringing this subject matter before this house at an earlier date. I might point out that some of the editorial writers for that venerable journal are no longer with it; they are making remarks verbally which are getting them into hot water in other places besides the editorial page of that newspaper—and it may be the very remarks that were made with respect to old age and the joys and virtues of old age indicated that very senility which caused trouble in later times and under other auspices.

With respect to another name for the bill which was suggested, apart from "senior citizens", I was very pleased to hear the hon. member for Pictou suggest that there might be other names applicable, although I was not too struck, even though he is from my own party, with the name of "the golden age bill" offered by the hon. member for Lafontaine. With regard to anything to do with gilt or gold, it is well known that the party of hon. gentlemen opposite, the official opposition, is that which is normally lined up with the great signs and sources of wealth in this country, and if it was called "the golden bill" in any form, it might be thought to be a Tory bill—and this would hardly be applicable.

I was also very pleased to hear in the remarks of the hon. member for Pictou that he was once a young man, and not too long ago I think he indicated; because some of the very morose and morbid and almost doleful remarks that I hear coming from across the floor from his side so often have indicated to me that his party and all hon. gentlemen in it must have been old for all time, because they see so little hope and so little good in the future. Therefore it is refreshing to know that not too long ago he was young.

One thing disturbs me in all this, Mr. Speaker, namely this tendency, amounting almost to a phobia to find names which are pleasing and pleasant; I think they are known as euphemisms in English definition. It is going to be a very difficult thing for this house if with every measure that is brought before the house and with every statute presently extant on the statute books we are going to have to find these euphemous names, these euphemisms, for bills; names pleasing to everyone and names which will leave no connotation of anything evil or wrong or unpopular. For instance, I see great difficulty with the representation act. It might be that we will have to change the name of that bill to something like "An act to find responsible, reputable and jolly good representation"—and, of course, this would not apply to all hon. members of this house.

Then I am concerned with the Criminal Code. We could not have that evil word "criminal" lying around loose in our statute books. We would undoubtedly have to change the name of that time-worn statute to something like, "An act for the good citizens who have temporarily strayed from the straight and narrow". I think, also—

Mr. Knowles: Oh, Mr. Speaker.

An hon. Member: He is only killing time, anyway.

The Acting Speaker (Mr. Batten): The Chair considers that the hon. member has strayed from the straight and narrow, and I wonder whether he would stay as closely as possible to the resolution which is before us, which deals with changing the names of two acts.

Mr. Greene: With the greatest respect, Mr. Speaker, I do feel there is some analogy with regard to other statutes which possibly should be renamed, if we are going to embark on the rather costly administrative process of renaming statutes in the interest of having names pleasing to all. I thought it might be of some help to this house if we considered the very broad area in which we might be embarking, if we do proceed on this path. Again, if we are going to amend or change the name of the Criminal Code, I think we shall have to include in the new name those gentlemen who are in favour of lotteries. They will certainly have to be included. We will not call them criminals, because I do not think that is correct at all; and in deference in particular to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) I think we should just spell out that these gentlemen are not criminals but are merely in favour of lotteries.

The statute that gave me the most trouble, Mr. Speaker, when I was considering this very wide area in which we are embarking, was the Income Tax Act, and it is very difficult to find a name which would be pleasing to all and offend none with respect to that iniquitous bill which has so long borne the unhappy name of the Income Tax Act. The best I can do in helping this house—

Mr. MacEwan: On a point of order, Mr. Speaker; when I introduced the resolution Your Honour suggested that I confine my remarks to it. I quickly took Your Honour's advice. I wonder if that great, knowledgeable member for Renfrew South, who adorns the west block, would now get back to the resolution itself.

The Acting Speaker (Mr. Batten): Order. I could say to the house that the Chair is enjoying the remarks of the hon. member equally as much as the house; but I would hope he would confine himself to the terms of the resolution before us.

Mr. Greene: With the greatest respect, Mr. Speaker, I think we are dealing here with a matter that is on a twofold plane. We are dealing, first, with the renaming of statutes, and second we are dealing with the subject of old age. Therefore with respect I would submit that remarks referable to either of these basic ingredients of the hon. gentleman's resolution are pertinent and relevant and I trust will be of some help to hon. members in determining their respective choices in regard to the resolution. Again, on the question of renaming the acts, if it would be of some help to this house I might suggest that the Income Tax Act be renamed something along these lines, "An act for the purpose of removing coin of the realm from the pockets of those who have to those who have not". I feel this would be the type of concise and appropriate name which surely would not offend the great majority of our people. I am sure most hon. members of this house, from all I have heard since I have been here, receive little support from those who have great wealth, those from whom it would be removed; so the name should bear the approval of all hon. members as well as all citizens.

With respect, Mr. Speaker, I think when we are speaking about names, whether names have a particular connotation, whether a name is particularly offensive, or whether a certain name is better than another, it would not be right, proper or fitting if we based our deliberations on that score without considering the best words ever spoken with regard to the question of what's in a name. I quote from Romeo and Juliet, act 2, scene 2, line 40:

> **O be some other name! What's Montague?**
> **It is nor hand, nor foot, nor arm, nor face,**
> **Nor any part belonging to a man.**
> **What's in a name? That which we call a rose**
> **By any other name would smell as sweet.**

I offer these words of wisdom to the hon. member for Pictou and suggest that the gist of the old age pension bill and the Old Age Assistance Act is very much more what has been brought to our attention by hon. members, and certainly by the hon. member for Winnipeg North Centre (Mr. Knowles), namely what is in the bill itself. How much are these people receiving, and are they getting it with a minimum of embarrassment and without a means test? I believe the old age pension by any other name would smell just as sweet if we could see to it that that pension, accompanied with the Canada pension plan which is shortly to be before the house, provides the older people of this country with the wherewithal whereby they may live out their senior years in dignity and without want. This, surely, is the important matter, not the name of the bill itself.

In the not too distant future we hope to be doing some serious thinking in regard to the Canada pension plan, which will indeed fit in with the present legislation as it now exists. If the hon. member feels there is some very great national benefit in his resolution he might raise the matter at such time, either by way of amendment in committee when discussing the proposed measure, or in some other way.

There is one other aspect to the hon. member's desire to change this name which troubles me. This is the inference that there is something disreputable or unworthy or something we should hide in the very words "old age". I submit to the house that there is nothing unworthy or to be ashamed of about this expression, or which should be hidden under a basket some place. In this regard the legislation which is being brought in, as the hon. member who presented this bill has pointed out over the years, has certainly recognized that old age is a time of dignity worthy of security and well-being. In this connection I think the writers through the ages have recognized the worth of old age. It is not a time for despair. No person should be looked down upon because he is old. I think George Bernard Shaw put it as well as any of us could when he stated something along these lines—that until you are 60 you really have not learned enough to be of much use to anyone; and until you are 80 you have not had enough practice in application to put that knowledge you have acquired to use. I think Victor Hugo put it very well when he said:

When grace is joined with wrinkles it is adorable. There is an unspeakable dawn in a happy old age.

I should like to close my remarks on this delightful and worth-while subject by leaving with the house the thought that I do not think we should do anything here to discredit old age. I do not think there is anything more attractive in the words "senior citizen" than there is in the words "old age". Old age means that a person has given a great many years to this country, to bringing up his family, to paying his taxes, and to earning that very assistance which is paid to him, not by way of any handout from a government or from parliament, but by reason of his playing his part as a citizen of this country and earning whatever emoluments we pay him.

Mr. MacEwan: Mr. Speaker, I rise on a point of order. May I point out to the hon. member, through you, Mr. Speaker, that in my remarks the hon. member would have noticed, if he had been listening closely, and as he will observe in *Hansard*, that I said nothing to cast any reflection on our senior citizens by using the words "old age" disparagingly.

Mr. Greene: I concur in those remarks of the hon. member. I was not inferring that the hon. member had, except that in the introduction of his resolution I was disturbed by the thought that there might be left with the press and with the people the impression that either this house or the hon. member felt that the use of the words "old age" something undesirable. I suggest the words "old age" are probably those most worthy of respect and dignity: And may all hon. members of the house continue to serve long, that they will some day earn this appellation.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to congratulate the hon. member for Pictou (Mr. MacEwan) on his very generous motives for introducing this motion in the house.

Mr. Speaker, I did not expect to speak on that motion but in any case, I should like to quote from it. It reads as follows:

That in the opinion of the house, the government should consider the advisability of changing the terminology in the designation "old age"—

So, the point is to change the designation "old age" for the designation "senior citizen". Any dictionary will give you, as definition of old age, the following:

The advanced years in human life.

So, I understand that this discussion is simply an empty battle of words which does not contribute much to the promotion of public business.

Mr. Speaker, if I may be out of order for only 30 seconds, I should like to say that I deeply regret that because of our present system of procedure, parliament has to discuss during a whole hour a simple matter of terminology when there are problems of extreme importance facing the country.

Mr. Speaker, as the hon. member for Renfrew South (Mr. Greene) put it so well, this motion is only an attempt to find euphemisms, designations to alleviate other designations meaning the same thing.

As a matter of fact, in the phrase old age, there is absolutely nothing reflecting upon a state of life which most people are to know some day.

As a matter of fact, there are two stages in life: birth and death. The main steps between those two stages are childhood, the teen-age period, middle age and old age. Consequently, I fail to see the usefulness of dealing indefinitely with a mere question of terminology.

In fact, Mr. Speaker, if we were going to deal with the terminology of each of our laws, we would get nowhere, and we would get lost in useless talking, without achieving anything.

Let us talk about the word "pension". Is it necessary to insist on that word and say that the fact that a person receives a pension establishes a certain analogy between the words pensioner and parasite? Should we not change the word "pensioner" in order that the person who receives a pension from the government will not be compared to a parasite?

When we talk about the pension to veterans, do we mean that veterans who receive pensions refuse now to fight?

When we speak of unemployment insurance, do we not throw discredit on the unemployed by considering him as a loafer?

Again, would it be necessary to change the terminology of all those acts and say that the unemployed is a loafer, a parasite, that it is an insult to call him "unemployed"?

There is in Quebec a pension for unmarried women. But what an insult, Mr. Speaker, to think that a woman has to stay unmarried. Again, would it not be better to change the terminology of that act? That is an insult to the charm and attractiveness of that sex which ought not to be called the weaker one, because, on the contrary, it exerts a far greater power than one would imagine.

In other words, Mr. Speaker, there has been too much discussion, and that is why I

want to return to my seat as quickly as possible. In my opinion, we have spent too much time debating a subject which, granted, shows the best of intentions on the part of the hon. member for Pictou, who wants to bring in a new expression in the hope of improving a situation which, to his way of thinking, is such as to put older people in a position of inferiority.

Mr. Speaker, I feel that the proper meaning of a term or expression should not be confused with the disparaging intonation it is sometimes given. As a matter of fact, one often calls somebody "old man" or "young man". It may be injurious in both cases but it is only a matter of intonation and not of semantics or real meaning of the word.

In fact, what would the reaction of the hon. member for Pictou be if I were to tell him one day that he is not old enough to be a senator? Lmagine if he would like then to be considered as an old man.

If I told him that he is too young to be a minister, then the word "young" could be disparaging simply because of the manner in which it is spoken.

In conclusion, Mr. Speaker, I agree with the hon. member for Renfrew South (Mr. Greene) that if we are to consider every act in order to see what term or word could be changed, parliament would waste its time, like it did tonight, whereas if the procedure were amended, we could look into far more important situations likely to prove beneficial to all the people.

[*Text*]

Mr. Lloyd Francis (Carleton): Mr. Speaker, we have had a very moving and interesting debate this afternoon on the motion before us. One must try to get in perspective the case that has been made by the mover of the resolution. He has declared to the house that he intended no aspersion whatsoever with regard to the use of the words "old age" or the recipients of old age assistance. However, in reading the resolution itself I do not think his wording was the most happy choice. It reads in part as follows:

> That in the opinion of this house, the government should consider the advisability of changing the terminology ... to a more worthy designation, so that the aforesaid will be known as the "senior citizens assistance act" and "senior citizens security act" respectively.

I cannot help but agree with the contention that has been made by my colleague, the hon. member for Renfrew South (Mr. Greene) and the hon. member for Lotbinière (Mr. Choquette) that there is in the wording of the resolution a suggestion that the term "old age" in the present legislation is a less than worthy designation. The contention has been made by several members on this side of the house. The hon. member for Lafontaine (Mr. Lachance) quoted from an editorial in the Ottawa *Journal* which said that they expected and hoped that everyone over 70 would soon be sending letters to the hon. member for Lafontaine for trying to change the words.

I think we all agree there is a serious problem in what we are trying to do in this day and age. We cannot escape things by changing names, although sometimes we think we are. I think there is a virtue in recognizing terms for their value and for what they are. The term "old age" has been used in our language since the beginning of time. My colleagues have pointed out that it is an honourable term. It is used with honour in our poetry, our literature and our social relations. If we try to undertake measures which in a rather superficial way make changes suggesting that we are somewhat queasy about these things or worried about them, if this is the motivation in our literature and legislation, then I think it is less than worthy of the house. I do not know whether any large number of those who come under these programs feel that they are under any stigma when they pick up their cheques. I am not aware of any resolutions passed by associations asking for this change. I am not aware of submissions—

Mr. MacEwan: There are a lot of things you are not aware of.

Mr. Francis: That may well be.

Mr. MacEwan: You have not been here very long; you will learn.

The Acting Speaker (Mr. Batten): Order. It being six o'clock the hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Knowles: Mr. Speaker, could the house leader place on *Hansard* what we will be dealing with tomorrow?

Mr. Favreau: Yes, Mr. Speaker. Tomorrow we will proceed with the second reading and committee stage of the Blue Water bridge bill. After that we will take the resolution introducing the Post Office Act amendments which will be followed, if there is time left, by the resolution introducing amendments to the Exchequer Court Act. This will be followed, always if there is time left, by the

resolution introducing a bill providing for the payment of certain provincial fees and taxes by crown corporations. Then—

Mr. Knowles: Then it will be Friday.

Mr. Favreau: —it will be Friday, so that all we need know is that on Friday the committee will be studying estimates of the Department of Public Works. I wish to announce that on Monday we will have a supply motion.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, April 30, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. MACALUSO—REFERENCE TO HEADLINE IN HAMILTON "SPECTATOR"

On the orders of the day:

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I rise on a question of personal privilege. It has to do with a newspaper report which appeared on page 1 of yesterday's Hamilton *Spectator* in which a story under the by-line of Mr. Tim Creery deals with a discussion between several Liberal M.P.'s and the hon. member for Labelle prior to his defection to the Conservative party.

I have no objection to the contents of this article, but the headline is misleading, unfair and damaging to the integrity of myself and the other hon. members mentioned in the story. The headline reads "Link City M.P. to Socred's 'Bribe' Claim". My question of personal privilege is based on two things, Mr. Speaker. First, any suggestions made by the hon. member for Labelle about a bribe were not directed to any of the M.P.'s involved in the discussions. Second, while Mr. Davey and all the hon. members concerned on this side have denied any suggestion of a bribe being offered, this matter has still to be looked into by a parliamentary committee. The headline, then, is wrong when it links my name or the names of any of the hon. members involved with alleged bribery.

MR. LANGLOIS—PARTY DESIGNATION OF MEMBERS FOR LABELLE AND RIMOUSKI

[*Translation*]

Mr. Raymond Langlois (Megantic): I rise on a question of privilege, Mr. Speaker.

In *Hansard* of yesterday, April 29, 1964, the list of members of the house still showed the hon. member for Labelle (Mr. Girouard) and the hon. member for Rimouski (Mr. Ouellet) as being affiliated to the Social Credit party. I consider that to be an insult to the Social Credit party and a slight on all right-thinking members.

I ask, Mr. Speaker, that there be an immediate retractation and correction on the part of those responsible for such a disgrace, for we will no longer accept to be dishonoured by such ties.

[*Text*]

Mr. Speaker: May I point out that I am informed a clerical error was inadvertently made, and that it will be corrected.

MR. NESBITT—APPEARANCE ON C.B.C. PROGRAM "VIEWPOINT"

Mr. W. B. Nesbitt (Oxford): I wish to raise a question of privilege in connection with another matter which concerns a great many members of this house. I may say to Your Honour that this is the first opportunity I have had of raising this matter because I have just received a photostatic copy of the newspaper article in question.

This newspaper article appeared in the Toronto *Telegram* of April 20 and was written by one Lubor Zink, a member of the parliamentary press gallery. It concerned the appearance by myself on the C.B.C. television program "Viewpoint". I am not concerned with the observations of Mr. Zink concerning myself, no matter how unfounded and bizarre they may be, but I am concerned with one of the things said in the article, which is as follows:

> I have nothing against the M.P.'s expressing their unavoidably partisan opinion over the public-owned C.B.C. and getting paid for it with taxpayers' money—

Mr. Speaker, I did not receive any fee for appearing on this program, nor have I ever received any fees from the Canadian Broadcasting Corporation. It is also my understanding that most other members of parliament do not accept fees for appearing on the C.B.C. I would draw Your Honour's attention that in view of the terms of the House of Commons Act this false allegation by Mr. Zink may well be defamatory, and I trust that either he or his newspaper, or both, will publish an appropriate apology and denial.

CONSUMER CREDIT

CONCURRENCE IN FIRST REPORT OF JOINT COMMITTEE

Mr. J. J. Greene (Renfrew South) presented the first report of the joint committee on consumer credit, and moved that the report be concurred in.

Motion agreed to.

Statement on Science and Research

SCIENCE AND RESEARCH

STATEMENT RESPECTING ORGANIZATION OF GOVERNMENT ACTIVITIES

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I wish to inform the house of certain decisions reached by the government concerning the organization of government activities relating to science and research.

Hon. members will recall that last December I asked Dr. C. J. Mackenzie to examine the activities of government relating to science and technology and report how, in his view, our efforts might be made more effective. On January 28 last Dr. Mackenzie submitted a report, a copy of which I now table in both French and English. I draw the attention of the house to the two principal recommendations put forward by Dr. Mackenzie in his progress report.

The first recommendation, which the government has now decided to adopt, is that a scientific secretariat be established to assemble and analyse information about the government's scientific programs and their interrelation with other scientific activities throughout Canada. This organization, which will be a small fact finding and analytical group serving in a staff capacity without executive authority, will, subject to approval of appropriate provisions in the next supplementary estimates, be established as part of the privy council office. It will, we believe, meet a long felt need in providing day to day support in the work of the privy council committee on scientific and industrial research.

Professor F. A. Forward, head of the department of metallurgy at the University of British Columbia, has agreed to serve as the first director of this scientific secretariat during its formative period. The establishment of the new office will take effect next July, and we count ourselves very fortunate in having secured the services of a man with the record, experience and ability of Dr. Forward. In creating this scientific secretariat, the government is also following substantially the course recommended by the Glassco commission.

The second recommendation contained in Dr. Mackenzie's report has to do with the proposal for a national committee on scientific policy, which again had been recommended by the Glassco commission. It will be noted from the report that Dr. Mackenzie in his report agreed in principle with this recommendation, but felt that before such an advisory committee could be brought into being we should re-examine the role of the national research council and define more clearly, in consultation with the national research council, what relationship should exist between it and the proposed new committee.

[Mr. Greene.]

The government agrees that before a new advisory committee can be established the questions raised by Dr. Mackenzie in his report must be settled. This matter will therefore be the subject of study by the government, and in particular by the privy council committee on scientific and industrial research during the coming months, and it will be one of the first tasks of the new scientific secretariat to assist the privy council committee in this study.

UNITED NATIONS

TABLING OF REPORT OF SECRETARY GENERAL ON CYPRUS OPERATION

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I should like to table the report dated April 29, 1964 of the secretary general of the United Nations to the security council on the operations of the United Nations peace keeping force in Cyprus, to which I made reference yesterday. In view of the importance of this report, perhaps the house would agree to incorporate it as part of today's *Hansard* proceedings.

Mr. Speaker: Does the house give consent to having the report printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of report referred to above, see appendix.*]

PRESS PRIVILEGE

PROTECTION AGAINST DISCLOSURE OF SOURCES OF INFORMATION

Mr. D. M. Fisher (Port Arthur) moved for leave to introduce Bill No. C-93, to provide for the protection of news sources (press privilege).

Some hon. Members: Explain.

Mr. Fisher: Mr. Speaker, I must state at once that this bill which I am bringing in does not have the approval of my colleagues. If enacted it would ensure that practising journalists would not be required in the courts to disclose the sources of information gained in their work. This would not, of course, be any protection against any statements, written or oral, made by journalists which could be libellous or slanderous.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

CYPRUS—REFERENCES TO STATEMENT BY SECRETARY GENERAL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I wish to direct a couple of questions to the Secretary of State for External Affairs. He tabled the secretary general's report which, of course, we read in the newspapers this morning. I would ask him whether he noted U Thant's statement that "disarming of all except in the regular police and gendarmerie, with control of extremists on both sides" was one of the conditions. I would also ask him whether he has noted that that is one of the matters which we on this side of the house have been advocating. In addition, I should like to ask him whether the *Le Devoir* report of this morning is correct when it states "U Thant underlined the very restricted powers accorded to the United Nations force in Cyprus compared with those prevailing in the Congo". The report then states that in Cyprus, unlike the Congo, the forces are not authorized to resort to force.

Hon. Paul Martin (Secretary of State for External Affairs): With regard to the last part of my right hon. friend's question, I may say that I have not seen the newspaper report. I would be glad to examine it and deal with it later.

With regard to the first part of the question, I noted the observations made by the secretary general, but I do not believe I can usefully connect his statement with earlier statements made by the right hon. gentleman.

Mr. Diefenbaker: Truthfully, you could not.

Mr. Martin (Essex East): I would suggest that in examining the report and in view of what he said yesterday to the effect that Canadian forces might be mere vulnerable spectators of strife in Cyprus, the right hon. gentleman note what the secretary general said:

> I wish here to emphasize my view that the United Nations force was dispatched to Cyprus to try to save lives by preventing a recurrence of fighting. It would be incongruous, even a little insane, for that force to set about killing Cypriots, whether Greek or Turkish, to prevent them from killing each other. Yet that is exactly the dilemma which is almost confronting General Gyani in Cyprus today. On the other hand, the force cannot stand idly by and see an undeclared war deliberately pursued, or see innocent civilians of all ages ruthlessly struck down by snipers' bullets.

In this connection I would call the attention of the house particularly to the section of the report beginning on page 10 which deals with the specific refinements and the kind of action which, in the present difficult situation, the United Nations force is authorized to take.

Mr. Diefenbaker: There is just one matter I want to mention. The hon. gentleman said I made a statement that the forces were in the position of passive policemen. I should like to correct that statement by citing page 2722 of *Hansard*, which reads as follows:

> Mr. Speaker, I ask the hon. gentleman this question. Has he made representations to the effect that the role of the United Nations force, and I refer particularly to the Canadians, shall not be that of simply a passive policeman but that the force shall undertake remedial and effective action which in their opinion is necessary?

That is quite different from the way in which the minister interpreted it.

Mr. Martin (Essex East): I accept my right hon. friend's correction.

Mr. T. C. Douglas (Burnaby-Coquitlam): I should like to direct a question to the Secretary of State. In view of the fact that the six point peace proposal made by the secretary general to the United Nations seems to offer some hope of making the peace keeping functions of the United Nations force in Cyprus more effective, may I ask the minister, first, if this six point proposal has the support of the Canadian government and, second, does the minister know whether the security council has approved this proposal by the secretary general?

Mr. Martin (Essex East): The security council has not been in session since this report was circulated. The report is circulated to members as a matter of course and it is made available to members of the United Nations who are contributing to the peace keeping operation itself.

With regard to the proposals made by the secretary general, they do have the endorsement of the Canadian government. They represent substantially the result of discussions between members participating in the force and the secretary general or his officers.

Mr. Douglas: May I ask a supplementary question. Has the secretary general the power to implement these proposals without the concurrence of the security council, or must he wait for their approval? Second, may I ask the minister since these proposals which the secretary general is now making can be made public, as they have been, is there any reason why the terms of reference for the whole operation could not also be made public?

Mr. Martin (Essex East): Mr. Speaker, the status of forces agreement and the aide mémoire which outlines part of the terms of reference have already been tabled in the House of Commons. The directives have not, nor is it the intention to publicize the directives, for the reasons I have already given. With regard to the powers of the secretary general in connection with these new steps that may be taken by the peace keeping force,

the secretary general has that power under the resolution passed by the security council on March 4.

Mr. Douglas: They will become effective immediately?

Mr. Martin (Essex East): These are now effective.

[*Later:*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Can the minister tell us if the report broadcast on the C.B.C. national news this morning is correct that Swedish troops under the United Nations command in Cyprus have disarmed Cypriot guerrillas and, if so, do Canadian troops under the United Nations command have the same instructions?

Mr. Martin (Essex East): Mr. Speaker, whatever instructions would be given to any contingent in the peace keeping force, would apply to all the participants in that force. In this context my hon. friend will have the opportunity of reading the report of the secretary general of the United Nations circulated yesterday. With regard to the particular radio news story no confirmation has yet come to us.

INQUIRY AS TO DISCUSSIONS RESPECTING 12 MILE FISHING ZONE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct a question to the Minister of Fisheries and ask him, in view of the fact that May 15 is the date when the 12 mile fishing limit will be established, whether the negotiations between Canada, the United States and one or two other interested nations have produced an agreement for the protection of traditional fishing rights of claiming nations such as the United States and France. What is the present position in this regard?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, the negotiations with the United States, France and other foreign countries interested in the 12 mile limit are still proceeding, and I can add with satisfaction that a bill providing enabling legislation for the government to proceed with the 12 mile limit will be introduced in the other place probably today or tomorrow, and its details will then be made known.

Mr. Diefenbaker: Mr. Speaker, does the introduction of the bill mean that there has been agreement regarding claimed traditional rights in this regard between Canada, the United States, France, and one or two other countries? Has that agreement been arrived at, or is the legislation being introduced while the negotiations are continuing and are uncompleted?

Mr. Robichaud: I may add, Mr. Speaker, that the bill will be introduced while negotiations are still going on and being completed. As I said earlier, the details of the bill will be made known probably within the next 24 hours, and at that time I will be in a position to provide further details.

Hon. George C. Nowlan (Digby-Annapolis-Kings): As a supplementary question, has there been any change in the position of the government of the United States with respect to this matter as of now, compared with the position the same government took a year ago?

Mr. Robichaud: Mr. Speaker, while negotiations are still going on it would not be proper for me to give details of the position taken by the United States or any other countries connected with this matter.

PENSIONS

CANADA PLAN—REQUEST FOR STATEMENT ON UNIVERSAL APPLICATION

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, following a question of privilege which I raised yesterday, the Secretary of State for External Affairs, in the absence of the Prime Minister, stated that an answer would be given today in order to clear up the confused situation existing between Quebec and Ottawa in regard to the national pension plan. The whole population is apparently wondering if we are going to have a double pension plan in Quebec or if the plan will apply uniformly across Canada. Could the Prime Minister enlighten us on this matter today?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am glad to be able to clarify this point again for the hon. member. I have already made a statement in the house which I thought was a clarification. I have also received a request for information along the same lines from the hon. member for Three Rivers, who was asked the other day to put his request on the order paper.

In reply to these questions I would say that the proposal we are making is that there will be one pension plan which will be the same for all of Canada. This plan will be embodied in federal legislation. But any province that

so wishes can pass its own legislation making the federal plan also a provincial one, which in that case will be administered by the provincial government.

However, as far as the public are concerned it will be the same plan, requiring the same contributions and providing the same benefits, whether it is administered federally or provincially. This, Mr. Speaker, is understood in the agreement that has been reached and the arrangements that have been made between the government of Quebec and the government of Canada. This, Mr. Speaker, is the proposal. Whether it is implemented depends on the will of parliament and of provincial legislatures, but it is a proposal in which the government of Quebec has concurred, which other provincial governments have welcomed and which I hope will soon be implemented.

[*Later:*]

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to direct a question to the Prime Minister.

Does the answer given earlier to the hon. member for Villeneuve by the Prime Minister mean that social insurance cards will no longer be required in Quebec, since that province will have its own pension plan?

[*Text*]

Mr. Speaker: Order. This is the type of question that should be placed on the order paper.

AGRICULTURE

SURVEY OF CONDITIONS OF EASTERN FARMERS

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I should like to address a question to the Minister of Agriculture. In view of the question I asked him last Friday on his estimates about possible publication of the survey of conditions of eastern farmers, and in view of the fact that this survey was made available at a recent conference held in the interlake region of Manitoba, would it be possible for members of parliament to get this report before his estimates are brought up again?

Hon. Harry W. Hays (Minister of Agriculture): Yes, Mr. Speaker. If this report is available, certainly it is available to all members of the house.

HOUSE OF COMMONS

CHANGE IN SEATING ARRANGEMENTS OF NEW DEMOCRATIC PARTY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a request to which I am sure Your Honour will be happy to agree. Because there are a couple of vacant seats and no one else will have to move to make it possible, and in order that two of our members may not have to sit behind members of another party, I should like to ask that the hon. member for Danforth (Mr. Scott) be moved to desk No. 241, the hon. member for New Westminster (Mr. Mather) to desk No. 267, the hon. member for Burnaby-Richmond (Mr. Prittie) to desk No. 268, and the hon. member for Hamilton South (Mr. Howe) to desk No. 269.

Mr. Speaker: Will the Clerk please take note of the seat changes.

Mr. Reid Scott (Danforth): On a question of privilege, Mr. Speaker, I should like to say that although I have enjoyed the interesting influence which surrounds me, I am happy to get back to the safety of the New Democratic party.

COAL

GOVERNMENT POLICY RESPECTING IMPORTS FROM U.S.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Trade and Commerce and I apologize for not giving him notice, but I am up to my ears in the Columbia water.

An hon. Member: So is everybody else.

Mr. Herridge: In view of the fact that Canada imported 13.7 million short tons of bituminous coal last year and over 1 million short tons of anthracite coal, and that this is expected to increase by over 1 million tons in 1964, does government policy provide for increasing imports of coal from the United States?

Mr. Speaker: Would the hon. member put that question on the order paper.

Mr. Herridge: Then I wish to give notice of my desire to debate this on the late night show after ten o'clock.

[*Later:*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Cape Breton North and Victoria asked in my absence if I could inform the house as to the present state of the negotiations between Canada and the United States, as indicated by secretary of the interior Udall, with regard to this country's purchase of more coal from the United States as a result of increased purchases of power by that country from Canada.

Inquiries of the Ministry

This question seems to proceed from the assumption that in fact there are negotiations in progress between our two countries in which these two matters are linked. No such negotiations have been held or are being held, and I would like to say that in any general discussions relating to energy, which have been going on for some time and in which secretary of the interior Udall, who is in the gallery today—

Some hon. Members: Hear, hear.

Mr. Sharp: —has been participating, the governments of both our countries have at all times been fully aware of the interest in this matter of the coal producing areas of our respective countries; and I can assure the hon. member, on secretary Udall's behalf as well as on behalf of the Canadian government, that this will continue to be the case.

UNEMPLOYMENT INSURANCE

BENEFITS TO CANADIAN WORKERS IN STATE OF MAINE

On the orders of the day:

[*Translation*]

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, I should like to direct a question to the Minister of Labour. Could the minister give us the reasons which prevent the federal government from reaching an agreement with the state of Maine regarding the unemployment insurance of the Canadian loggers who go to work in that American state?

[*Text*]

Mr. Speaker: Would the hon. member put that question on the order paper.

[*Translation*]

Mr. Boutin: Mr. Speaker, I ask that this question be transferred for debate at ten o'clock tonight.

[*Text*]

REPORTED DISCREPANCY IN NUMBERS OF RECIPIENTS

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, may I answer a number of questions to which answers were promised earlier in the week. The first question was asked by the hon. member for Queens-Lunenburg with respect to differences between statistics provided by the unemployment insurance commission and the dominion bureau of statistics.

The most recently available figures on unemployment insurance beneficiaries are for February of this year, when there was an estimated average of 503,000 persons drawing benefits during the month. For the week ending February 22, 1964, there were 467,000 estimated as unemployed by the labour force survey of the dominion bureau of statistics.

The difference of 36,000 in these figures, both of which are estimates, can in part be accounted for by the sampling variability of the labour force survey and the estimating procedures with respect to the number of beneficiaries. The difference can also be accounted for because a number of unemployment insurance beneficiaries are working part time and drawing partial benefits, and therefore will not be counted as unemployed by the dominion bureau of statistics in the monthly force survey.

In addition, one of the estimates is an average of the number of people drawing benefits during the whole month, while the d.b.s. estimate of unemployment is a count of the number of people employed during the third week in the month.

THE MINISTRY

REPORTED RESIGNATION OF MINISTER OF HEALTH AND WELFARE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question of national importance for the Prime Minister. Will the Prime Minister inform the house whether current reports are correct that the Minister of National Health and Welfare (Miss LaMarsh) did indeed tender her resignation last evening?

Mr. Speaker: Order, please. If I am not mistaken, I understand that this question was asked and answered last week.

TRANSPORT

RICHELIEU WATERWAY—STUDY BY INTERNATIONAL JOINT COMMISSION

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. I believe my question to be important and urgent.

Could the minister give the house a progress report on the consideration by the boundary waters commission of the Richelieu waterway project?

[*Text*]

Mr. Speaker: Order, please. Would the hon. member put this on the order paper.

[*Translation*]

Mr. Pigeon: I would ask that this question be transferred for debate at ten o'clock tonight.

[*Text*]

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources, but in his absence and knowing the interest of the Prime Minister, by reason of his recent telegram to the victims of the damage on the west coast, I direct it to him. Owing to the continuing and growing distress of the tidal wave victims on the west coast of Vancouver island, can the Prime Minister now inform the house whether the government of British Columbia has indicated the amount of federal assistance that will be required to rehabilitate those suffering this damage?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, so far as I know no such information has been received, but I will look into the matter at once in case it was sent to my colleague.

Mr. Chatterton: As a supplementary question, is the government considering making a grant directly to the disaster fund, regardless of the request of the British Columbia government?

Mr. Pearson: Mr. Speaker, we are following the normal course in these matters, in which a request for this kind of assistance should come first from the provincial government.

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, if I might add in answer to the hon. member, the minister will be touring Alberni on May 3.

Mr. Chatterton: Pretty late.

PUBLICATIONS

DISCUSSIONS WITH U.S. MINISTERS OF PENDING LEGISLATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Prime Minister whether he has exchanged, or plans to exchange any views with the United States ministerial visitors on the question of the periodicals legislation which is on the order paper, as it appears in *Votes and Proceedings* for March 11?

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have had the pleasure of an exchange of views on several subjects. There will be a report made to the house on the conference tomorrow, after completion of the conference.

Mr. Fisher: A supplementary question. In view of the fact that there is some urgency about this because of the pressures which are being brought to bear all about the House of Commons, I wonder if the Prime Minister is in a position to tell us whether he intends to go ahead with the legislation in the exact form in which it appears in *Votes and Proceedings*.

Mr. Pearson: The proposal is already on the order paper.

AIR TRANSPORT

INQUIRY AS TO FORMULATION OF NATIONAL POLICY

On the orders of the day:

Mr. D. G. Hahn (Broadview): I wish to address a question to the Minister of Transport. Can the minister report any progress in the formulation of a national civil aviation policy?

Mr. Speaker: In order to assist the hon. member to get a fuller answer, may I suggest he put that question on the order paper.

Mr. Hahn: I will deal with it, if I may, after ten o'clock.

[*Later:*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, since the Minister of Transport appears to be prepared and eager to report to the house on the matter, I wonder whether the house would give unanimous consent to hearing what progress has been made in the establishment of a national air policy, it being such an urgent matter.

Some hon. Members: Agreed.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I understood that the hon. member for Broadview had put this matter down for debate after ten o'clock tonight, so if the hon. gentleman would stay and listen I would be glad to speak at that time.

INCOME TAX

QUEBEC—PROCEDURE RESPECTING CHARITABLE DONATIONS

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of National Revenue. It is rather blunt.

Is the minister aware that the bloodthirsty officials of the income tax division are now cutting down to the bone the receipts for charitable donations? When will he put a stop to that bureaucratic dictatorship in our province and throughout Canada?

[*Text*]

Mr. Speaker: Order. It seems to me that is not a question. It is a statement, and I must rule it out of order.

[*Translation*]

Mr. Caouette: Mr. Speaker, I rise on a question of privilege. If I were to produce all the complaints which I receive these days at my office, you would not say that I am making an unfounded statement. I have proof of what I am saying, and that is why I should like the minister to give me an answer.

[*Text*]

Mr. Speaker: There was no doubt about the importance of the question. It was the form of the question to which the Chair was objecting. It was given in the form of a statement, not of a question.

NORTHERN AFFAIRS

ALASKA HIGHWAY—INQUIRY AS TO NEGOTIATIONS WITH UNITED STATES

On the orders of the day:

Mr. Erik Nielsen (Yukon): I wonder if the Prime Minister is yet in a position to answer the question I put to him with respect to the urgent request of the government of the province of Alberta concerning the motion which was unanimously passed by that legislature last month.

Right Hon. L. B. Pearson (Prime Minister): Yes. I regret not having been able to inform the hon. member of this fact previously, but the government has received a letter from the Speaker of the legislative assembly of Alberta containing the resolution in question recommending that negotiations be commenced immediately with the government of the United States. This resolution is now receiving consideration, and its subject matter has been discussed at the current meetings with United States ministers.

POWER

PASSAMAQUODDY—REQUEST FOR REPORT ON NEGOTIATIONS WITH U.S.

On the orders of the day:

Mr. Heath Macquarrie (Queens): I have a question for my fellow maritimer, the Minister of Fisheries. Can the hon. gentleman advise the house as to the progress of his discussions yesterday with secretary of the interior Udall respecting the Passamaquoddy project, in which the government and congress of the United States seemingly evince greater interest than the government of Canada?

Mr. Speaker: This, it seems to me, is a very good question for the order paper.

Mr. Macquarrie: On a point of order, I have never questioned a ruling of the Speaker since I came to this house, but two of the ministers of the crown have already answered questions relating to the Canadian-United States discussions, and the question I have just asked seems at least as much in order as were those other questions.

Mr. Speaker: The point of the ruling is that at ten o'clock the hon. member would have greater opportunity to explore this interesting question and probably to get a more detailed report. The Chair was, in effect, trying to assist.

LABOUR CONDITIONS

AMHERST, N.S.—ACTION TO OFFSET PENDING LAY-OFFS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I have a question for the Minister of Industry. Will the minister inform the house what action has been taken to offset the substantial and serious lay-offs at Enamel and Heating Products Limited, Amherst, which are having such a damaging effect on the economy of Cumberland?

Mr. Speaker: Would the hon. member object to putting this question on the order paper.

Mr. Coates: I will join the late, late show.

POINT EDWARD NAVAL BASE—ALLEGED INACCURATE STATEMENT BY MINISTER

On the orders of the day:

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, yesterday the hon. member for Cape Breton North and Victoria, rising on a question of privilege, alleged that I had committed a "grievous error" in a statement I had made in the house regarding the refit of a naval vessel at Point Edward naval base. He said that the ship in question H.M.C.S. *Swansea*, was in fact at a private shipyard in Sydney rather than at the R.C.N. Point Edward naval base.

May I say, Mr. Speaker, that my original statement was completely in accordance with the facts. The refit of a naval ship includes certain work for which the ship must be drydocked. As there are no facilities for drydocking a frigate at Point Edward naval base,

a contract was let to Sydney Engineering and Dry Dock Company for the docking portion of the refit, and H.M.C.S. *Swansea* is at present on the slip at this company.

However, the major portion of the refit will be carried out at the Point Edward naval base with an estimated requirement of 100,000 man hours, compared to 16,000 man hours required for the drydocking. It had been the previous intention that the whole *Swansea* refit should be let to contract, but in order to ease the reduction of employment at Point Edward naval base it was decided, as I originally stated, to carry out the refit at the naval base. In consequence, Mr. Speaker, there was no question of privilege.

CONSIDERATION OF REPORT "EMPLOYMENT AND MANPOWER UTILIZATION IN NEW BRUNSWICK"

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): With respect to the question asked by the hon. member for Saint John-Albert on April 27, the report to which he refers entitled "Employment and manpower utilization in New Brunswick" is being made available to interested departments and agencies in Ottawa for study, and obviously to provincial agencies in the province of New Brunswick. It will also be made available to members of parliament.

TRANS-CANADA HIGHWAY

AUTHORITY FOR FEDERAL CONTRIBUTIONS UNTIL 1967

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Public Works. The other day in an announcement the minister indicated, or said, that the government is "at present contributing to the cost of highway construction under the Trans-Canada Highway Act, until December 31, 1967". I wonder if the minister could tell us under what authority those contributions will be made.

Mr. Speaker: I am sure the hon. member would not object to putting that question on the order paper.

Mr. Howard: I would, to an extent, for this reason. As I understand it, the Trans-Canada Highway Act prohibits any contributions to the various provinces after May 31, 1964. It is because of the urgency attaching to that date that I ask my question, which is akin to the question asked by the Leader of the Opposition a few moments ago in which the date May 15 was referred to. My question is, I submit, just as urgent.

Mr. Speaker: Of course the Chair always tries to accommodate as many hon. members as possible, and if I am correct it does appear to me that the Minister of Public Works has the answer. In order to save the time of the house perhaps the minister would answer the question, if he has an answer ready, and we will dispose of the matter.

Hon. J. P. Deschatelets (Minister of Public Works): May I simply say to the hon. member that a few months ago this extension was granted by the house by way of supplementary estimates.

PENITENTIARIES

DRUMHELLER, ALTA.—CLARIFICATION OF ANSWER TO MEMBER FOR BOW RIVER

On the orders of the day:

Hon. J. P. Deschatelets (Minister of Public Works): May I take this opportunity to deal with a reply I gave to a question asked by the hon. member for Bow River a few days ago. Although the hon. member had informed me of his intention to ask his question, I did not have the text of the question beforehand. In this question the word "misleading" was used and I mistakenly thought it applied to myself when in fact it did not, as *Hansard* shows. I answered that if confusion existed it was in the mind of the hon. member.

I have always tried to be fair and just in my replies to questions in the house, and I wish to state here that I would never have used the term I did if I had not interpreted the question incorrectly.

URANIUM

INQUIRY AS TO ACTION TO KEEP MINES OPERATING

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): I wish to address a question to the Prime Minister. Because of the seriousness of the situation in Bancroft and the urgent need for action, aggravated by recent press reports which are contrary to the pre-election commitment given by the Prime Minister, what action is contemplated in order to keep the uranium mines in operation, thereby assuring the survival of the Bancroft community?

Right Hon. L. B. Pearson (Prime Minister): I do not accept the hon. member's statement that there was any pre-election commitment on this matter at all. The steps which have been taken have been made known to the house, and further steps will be made known if possible.

Mr. Webb: On a point of order, I have the commitment here. It was published four days before the election. It says "Mr. Pearson has promised—

Mr. Speaker: Order. This is the time for questions.

CROP INSURANCE

LEGISLATION TO REINSURE PROVINCES AGAINST LOSS

On the orders of the day:

Mr. George Muir (Lisgar): I should like to direct a question to the Minister of Agriculture. Since the provinces are now in the process of signing up farmers for crop insurance, would the minister inform the house if the government contemplates introducing legislation this session to reinsure the provinces against losses under this program.

Hon. Harry W. Hays (Minister of Agriculture): We hope we shall be able to deal with this legislation during the present session.

INDIAN AFFAIRS

INQUIRY AS TO SETTING UP OF COURT OF CLAIMS

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): My question is addressed to the Minister of Citizenship and Immigration. In view of the fact that today is the last day upon which recommendations were to be received from Indian bands in Canada on this legislation, the proposed Indian claims commission, can the minister assure the house and the Indian people of Canada that he will proceed with this matter and introduce this legislation at an early date?

Hon. René Tremblay (Minister of Citizenship and Immigration): We shall be very glad to receive any comments by members of Indian bands in Canada on this legislation, and I hope it will be brought before the house during the second part of the session.

[*Later:*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the answer given by the Minister of Citizenship and Immigration that there are going to be two sections to this session—possibly the Prime Minister did not hear the words but apparently we got that information by way of indiscretion—would the Prime Minister give his views thereon?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, surely my right hon. friend will not begrudge the house a week or ten days some time in August?

[Mr. Pearson.]

Mr. Diefenbaker: Is that the plan, that there is to be a break in the session some time in August? Is this a serious answer, or is it one of those flippant answers in which the Prime Minister sometimes engages?

Mr. Pearson: Mr. Speaker, if we do not make further progress than we are making now, we may not even get that week.

Some hon. Members: Oh, oh.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): I have a question for the Secretary of State. Perhaps in his absence the acting minister would answer it. Will the hon. gentleman ascertain from the C.B.C. upon what grounds it follows the policy that whenever a controversial matter arises on which the government needs aid, it calls upon a well known Liberal partisan propagandist to appear on its network and present his views in the guise of commentary?

Mr. Speaker: Order. Would the hon. member put that question on the order paper.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. It is based on a good-size picture in the *Gazette* this morning in which the minister is shown leaning across the conference table, apparently in anger, toward United States delegates at the Canada-U.S. conference. The caption under the picture reads:

> Canada-U.S. conference: External affairs minister Paul Martin leans across the conference table for a word with U.S. interior secretary Stewart Udall.

My question is this. Does this unusual picture of the Canada-U.S. conference represent the minister protesting to the United States secretary of the interior his attempt to obtain further control over Canada's natural resources, or is it merely a publicity stunt to impress the Canadian people?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure we all agree that this is a very important question. What I was doing was telling the United States secretary of the interior how enthusiastic my hon. friend was for the Columbia river treaty.

Some hon. Members: Hear, hear.

Mr. Douglas: It looks as though you were saying "Give us back our water".

SHIPPING

AUTHORITY FOR EMERGENCY WORKS ON GEORGIAN BAY AND LAKE HURON

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Public Works. Has any special authority been given for emergency works to give access to docks and navigation facilities left high and dry on lake Huron and Georgian bay? Has there been any special or emergency authorization?

An hon. Member: Pray for rain.

Mr. Speaker: Order. May I suggest that the hon. member put this question on the order paper. It is an important question and I am sure could be adequately dealt with later.

ADMINISTRATION OF JUSTICE

JULES SIOUI—REQUEST FOR CONSIDERATION OF CASE

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, may I direct a question to the Minister of Justice?

Could he tell us whether the consideration of the case of the Indian chief Jules Sioui, imprisoned for almost a year, is now completed and if so, what decision was reached?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I asked to be informed on the case of Jules Sioui who has been in jail for almost a year and I realized, just by looking at the record, that this case was never submitted to my department. However, I asked my officials for a report in order to know how I could help him.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am glad to hear the Minister of Justice make the statement that he has made. The case of a man in jail for one year because he believes he is a martyr to a principle deserves the consideration of the minister. I do not want to make a suggestion, but I do place before him this thought; that consideration should be given, in view of this Indian's desire to protect his people and the kind of offence charged against him, which is ridiculous in the extreme, to whether it is not a case for a free pardon.

Inquiries of the Ministry

PROTEST TO RUSSIA RESPECTING ALLEGED ESPIONAGE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, since the Secretary of State for External Affairs (Mr. Martin) is not here, I will put my question to the Prime Minister.

Does the government intend to send an official protest to the Soviet authorities about the abuse of privilege committed by the Russian journalist Tarasov?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will bring this question to the attention of my hon. friend the Secretary of State for External Affairs.

LABOUR RELATIONS

MARITIME UNION TRUSTEES—APPEARANCE BEFORE HOUSE COMMITTEE

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): The hon. member for Port Arthur asked a question on April 23 with respect to the maritime transportation unions trustees. This question has been referred to the trustees, and I am told the trustees held no formal interviews with the press in the preceding week. In his capacity as administrator of the seafarers international union of Canada Mr. Millard did see the press on one occasion about a specific matter concerning the S.I.U., namely an application for certification of an S.I.U. crew on a vessel.

Mr. D. M. Fisher (Port Arthur): A supplementary question, Mr. Speaker, in view of the answer given by the minister. If I make available to the minister the news reports that indicate that Mr. Millard in fact met with newspapermen in the S.I.U. building and gave a demonstration of the perquisites that Mr. Banks had had, would he then consider reapproaching the trustees to see if they would be willing to appear before a House of Commons committee?

Mr. MacEachen: Mr. Speaker, I understand that Mr. Millard did talk to the press with respect to one specific matter, namely the request for certification. A visit to the S.I.U. headquarters ought not to be construed as disclosing information to the press which is not available to members of parliament.

Mr. Fisher: Mr. Speaker, the minister has not answered my question. In view of the information that was released in that case, would the minister consider asking the trustees

if they would be prepared to appear before our standing committee on industrial relations?

Mr. MacEachen: Mr. Speaker, on two previous occasions during the session I have approached the chairman of the board of trustees, and after considering the matter the board decided, in their view, that they would not wish to meet a committee of the house at this particular stage because of the kind of negotiations and arrangements which are still under consideration.

BRIDGES

SARNIA, ONT.—ESTABLISHMENT OF BLUE WATER BRIDGE AUTHORITY

Hon. J. W. Pickersgill (Minister of Transport) moved the second reading of Bill No. S-4, respecting the international bridge over the St. Clair river known as the Blue Water bridge.

He said: Mr. Speaker, if the house would be agreeable I should like not to speak myself but to have the hon. member for Lambton West, who is intimately acquainted with the situation, explain this bill very briefly.

Mr. Walter F. Foy (Lambton West): Mr. Speaker, I should like to make a few comments on Bill No. S-4, respecting the international bridge spanning the St. Clair river between the village of Point Edward and the city of Port Huron, Michigan. This bridge is known as the Blue Water bridge. A number of members in the house have asked me whether this is a new bridge, and to clarify the matter I should like to describe the background of the Blue Water bridge.

The bridge was completed some time in 1937. At that time the Michigan state bridge commission was formed and agreements were prepared regarding Canadian maintenance of this bridge, tolls, etc. The approaches to this structure, I might say, are in the most advantageous and commercially developed area of the village of Point Edward, Ontario. In the original agreement the village of Point Edward was to receive $5,000 in lieu of taxes each year. The original agreement did not provide for any Canadians to be appointed to the bridge commission although it is an international bridge.

The agreement further stated that when the bonds and debts of the bridge were retired the tolls would be discontinued. This took place in 1961. The original agreement also stated that when the bonds and debts were retired the taxes to the village of Point Edward would cease.

The present quandary in connection with this matter results from an obvious disparity in the legislation concerning this bridge. As I have stated, on June 1, 1961 the corporate obligations of the commission were already satisfied and the commission took the position that by operation of law the portion of the bridge situated within the province of Ontario reverted to the Dominion of Canada and that all liability of the Michigan state bridge commission for taxes levied by the village of Point Edward or for any payment provided for in lieu of taxes would cease. Of course, Mr. Speaker, no taxes or payments in lieu of taxes have been paid to the village of Point Edward since 1961. I would also point out that when the original payment of $5,000 was agreed on back in 1938, operating expenses for the village were much lower than at the present time, and simple arithmetic will show that this very low payment is much too small and should be adjusted.

This Bill S-4 should be passed with all possible haste for the reason that the maintenance of this bridge has suffered, as well as the village of Point Edward. I am very gratified to note that this new Bill S-4 provides for the new bridge authority to consist of four Canadians and four Americans.

It has come to my attention, Mr. Speaker, that there is no maintenance staff looking after the Canadian side of the Blue Water bridge. Therefore unless immediate steps are taken to correct this situation there will be no grass cut, no painting or maintenance of the bridge, refuse will not be collected and the beautiful entrance to Canada from the United States will certainly be a mess. The surrounding area of my riding, including Lambton-Kent, is also very conscious that something must be done to correct this situation. I am sure my friend the hon. member for Lambton-Kent (Mr. McCutcheon) will agree with me that the passage of Bill S-4 is long overdue, and I would ask the house to pass it with all possible haste.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I should like first of all to compliment the hon. member for Lambton West on his clear and concise statement in support of this bill. It is not often that I find myself in practically complete agreement with the hon. member for Lambton West, and in view of this I am forced to conclude that his thinking is changing for the better. In support of what has already been said I should like to add one or two brief comments as background to the bill.

In about 1928 the St. Clair Transit Company was incorporated under special act of the government of Canada. It was authorized to build, finance, maintain, operate, and charge tolls in respect of the Canadian portion of this international bridge at Point Edward, Ontario. The statute further provided that

upon the retirement of all corporate obligations of the company or of any person to whom it might assign its rights, the operation of the bridge within Canada should be conveyed to the Dominion of Canada. The St. Clair Transit Company subsequently passed out of existence, but prior to this time it assigned all its authority to the bridge commission of the state of Michigan.

The Michigan state bridge commission constructed the bridge and has, since its opening to traffic during 1938, operated and maintained it in a most efficient manner. It was operated so efficiently, in fact, that the capital debt of the structure was fully paid off on June 1, 1961.

No problems arose until this capital debt was paid off. However, at that time, due to a provision in the United States federal law and the insistence of the United States bureau of public roads, grants in aid of a Michigan highway project would be withheld unless the state of Michigan lifted all toll charges in accordance with the terms of the grants made by the United States federal government to the Michigan state highway department to aid in the construction of the Michigan approach.

Since that time, or I should say since 1962, the bridge has operated toll free. As of now they have run out of money. Indeed, in order to provide for the continued operation of the bridge until the government of Canada could act, the province of Ontario has voluntarily assumed responsibility for winter maintenance, snow removal, sanding and the electricity necessary for the lighting of the bridge. The government of Canada has kept up the customs and immigration buildings. Recently, in fact within the last few days, all the maintenance and supervisory staff have been laid off as a result of a lack of funds.

As the hon. member for Lambton West has pointed out, there are many other important aspects of this matter. For example, he mentioned the taxes due the municipality of Point Edward. However, the maintenance and upkeep of the bridge is very important. Here we have a great structure joining two great nations. Are we going to allow it to fall into disrepair because the federal government has not got around to setting up the authority with power to operate this essential public structure?

As a matter of interest, Mr. Speaker, may I say that during the period April 1963 to April 1964, traffic crossing this bridge was as follows: United States passenger cars in, 568,128; United States trucks in, 50,324; Canadian autos in, 519,400; Canadian trucks in, 14,707; total passengers in all vehicles, 3,959,179.

An hon. Member: What year is that?

Mr. McCutcheon: It is 1963-64. These figures could very well be doubled, because they refer only to vehicles entering Canada. One could assume that almost the same number of vehicles left the country. This, Mr. Speaker, more than justifies the vision of those who many years ago planned this great project. With all this traffic it is essential that the structure should be policed, that service vehicles should be available and that maintenance should be kept up.

The purpose, then, of the bill before us is to provide for the establishment of a commission that will be charged with responsibility for having those things done. I should like to point out further that this matter has received the closest scrutiny in the other place. May I appeal, therefore, for quick passage of this bill so the commission might be set up to operate this service in co-operation with its United States counterpart and to accept for Canada what, by law, belongs to Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this request seems to be a reasonable one and we are happy to agree to it.

Mr. R. N. Thompson (Red Deer): Having travelled across this bridge many times, having friends living in the cities located at either end of the bridge, and having heard a clear explanation of the need for the passage of this bill, we give our wholehearted support to it.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, Bill No. S-4 is a very interesting bill, especially when we are told that from 1963 to 1964, that is during one year, more than three million people crossed the Blue Water bridge which spans the St. Clair river and connects a point in Ontario to the United States.

If it is true that the province of Ontario had to meet alone the costs of maintaining the bridge from the time that tolls were discontinued, that is since 1961, I think it would be reasonable that the federal authorities see to it, under this Bill No. S-4 which provides for the establishment of a joint Canadian-American authority, that people using that bridge contribute to its maintenance.

Mr. Speaker, we will not prevent the immediate passing of this bill.

[*Text*]

Mr. Foy: Mr. Speaker—

Mr. Speaker: If the hon. member speaks now he will close the debate.

Blue Water Bridge Authority

Mr. Foy: I wonder if I could ask the hon. member for Lambton-Kent a question.

Mr. Knowles: Why not do it in committee?

Mr. Foy: That will be too long to wait.

Mr. Knowles: We will go into committee right away.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Cameron (High Park) in the chair.

Clauses 1 to 11 inclusive agreed to.

On clause 12—*Application of revenues.*

Mr. Olson: There is just one point that needs clarification in clause 12. This clause indicates that the bridge authority may not increase any liability not dischargeable wholly from revenues or funds receivable by the bridge authority under this or any other act of the parliament of Canada or the United States. I should like to ask the sponsor of the bill if there is any provision for revenue from any other source than tolls.

Mr. Pickersgill: I understand that is the only source.

Mr. Olson: Then the passage of this bill will not place any financial burden on the government or the parliament of Canada at all?

Mr. Pickersgill: No. That is my advice, and that is why it was possible to introduce it in the other place.

Clause agreed to.

Clauses 13 to 25 inclusive agreed to.

Title agreed to.

Preamble agreed to.

The Chairman: Shall I report the bill?

Mr. Foy: Mr. Chairman, could I take a minute to ask the hon. member for Lambton-Kent a question?

The Chairman: By consent.

Mr. Foy: In my remarks regarding the bill I referred to the hon. member for Lambton-Kent as my friend and I really meant it, but I noticed that in his remarks he said something about my attitude improving. I wonder whether he would explain this. Before that I should like to say that the speed which this bill has been dealt with is phenomenal, and it must be due to the eloquence of the hon. member for Lambton-Kent and my fine introduction.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Mr. Pickersgill: Mr. Speaker, I wonder whether it could be read now, by leave.

[Mr. Speaker.]

Mr. Knowles: By leave.

Mr. Pickersgill moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

POST OFFICE ACT

AMENDMENTS RESPECTING DELIVERY RATES ON PUBLICATIONS

Hon. J. R. Nicholson (Postmaster General) moved that the house go into committee to consider the following resolution:

That it is expedient to amend the Post Office Act to abolish the local delivery rates for first class mail and for all newspapers and periodicals other than those published more frequently than weekly; to establish a minimum rate of one half cent per copy to each separate address for all publications other than those to which local delivery rates apply or that have postage free privileges; to make the four cent a pound postage on specimen copies of publications subject to either the local delivery rate or the minimum rate, whichever is applicable, and to extend to certain cultural and technical publications the privileges now granted to newspapers and periodicals devoted to religion, the sciences or agriculture.

Motion agreed to and the house went into committee, Mr. Lamoureux in the chair.

Mr. Nicholson: Mr. Chairman, the purposes of this resolution are threefold; first, to initiate legislation which if passed, and I hope it will be soon, will provide the Post Office Department with additional revenues by abolishing the local delivery rate, by establishing a minimum rate per piece, that is per copy piece, for other than daily, weekly or semi-weekly newspapers, and by making the per pound postage rate on specimen copies subject only to the minimum rate or to the local delivery rate. The second purpose is to extend to certain cultural and technical publications relating to fisheries, forestry and other fields the privileges now enjoyed by other periodicals devoted to religion, the sciences and agriculture. The third purpose is to abolish the local delivery rates on newspapers and periodicals published less frequently than weekly.

The first of these three recommendations is in line with recommendations made by the royal commission on government organization, the Glassco commission. The commissioners made certain recommendations that revenues be brought into line with expenditures.

The second and third objectives are to implement in part the recommendations of the O'Leary commission with respect to these publications.

Traditionally the Post Office Department has endeavoured over the years to break even in its operations while at the same time

providing a satisfactory service at a reasonable cost to users of the mails. According to the accounting practices in use over the years, this goal would seem to have been achieved. If you look at the annual reports of the Post Office Department, even the one filed a few weeks ago, you will find that year after year there would appear to have been either a small surplus or a small deficit. In fact in the last 10 years you will find that five showed surpluses and five deficits.

Unfortunately the accounting system employed does not reflect the actual facts. A number of major services chargeable to postal operations are supplied by other departments. Chief among these is the cost of the accommodation provided by the Department of Public Works. In other words, the post office buildings and other so-called federal buildings that exist from one end of Canada to the other have been supplied free of charge, and even some of the services being used in these buildings are provided free of charge.

In addition, the superannuation account for postal employees has been a direct charge against the Department of Finance and not against the Post Office Department as such. This fact was brought out very clearly in the Glassco report. It is reliably estimated that after the inclusion of all interdepartmental credits and charges, including franking privileges and other things, the Post Office Department would have faced a net operating deficit in excess of approximately $37 million in the current fiscal year.

Steps have been taken by my predecessor and myself to adjust these charges where this could be done without legislation. However, the changes I have mentioned today, more particularly the one having to do with the abolition of the household or local delivery rate or, to put it colloquially, the abolition of the four cent rate, need the authority of parliament.

I should like to direct the attention of hon. members to the estimates for 1964-65 which were tabled by the Minister of Finance some weeks ago. I draw attention to page 351 where under the heading "Post Office" hon. members will see the following at the top of the page:

> Approximate value of major services not included in these estimates.
>
> Accommodation (provided by the Department of Public Works), $25,298,000.

The amount is slightly lower in 1964-65 than in the previous fiscal year.

> Accounting and cheque issue services (comptroller of the treasury), $584,300.
>
> Contributions to superannuation account (Department of Finance), $8,510,500.
>
> Employee surgical-medical insurance premiums (Department of Finance), $1,170,100.
>
> Employee compensation payments (Department of Labour), $261,900.

The next item is the carrying of franked mail. I am not referring to franked mail such as mail sent out by members of the House of Commons. I am referring to the mailing that is done by the Post Office Department itself which, if it did not have a franking privilege and was paying for the services it is getting, would involve an expenditure of another $1,008,000.

These amounts total $36,832,800. In addition to these amounts that are not included, and which have not been included in the estimates in the past, you will recall, Mr. Chairman, there were very substantial increases in wages and salaries to postal clerks, as part of the regular review, which increases were introduced in 1962 and made retroactive to a date in the previous year. They are carried into the estimates this year. They affect the estimates, but nevertheless when you are considering the position for the 12 months ending on March 31 they would distort the picture if they were not in the estimates.

When a deficit reaches the proportions it has in the case of the post office, a deficit that will be at least $37 million if we had not made any changes, it is a matter of grave and serious concern for all of us. If the post office is to operate within its revenues, as the royal commission suggested, we must not only continually examine our operating efficiency but we must continually study and up-date postal charges for the services being performed.

I believe there is general agreement that the postal service of Canada has established for itself and is maintaining a high reputation for efficiency in world postal service. This becomes more evident when one travels and has the opportunity to compare the postal services of other countries, even those of our neighbours to the south and those in western Europe.

A review of the Post Office Department services by the Glassco commission has produced a real tribute to the work of the department, as recorded at page 309 of volume III of the Glassco report:

> "The Post Office Department has attained a commendable degree of efficiency."

Improvements are continuing in the postal services and it has been my privilege to visit post offices in large and small centres. My first visit was to the post office in Quebec city, which is one of the two most modern in Canada. Quebec and Halifax are regarded as the two most modern, although some equipment has recently been put in the Winnipeg post office, which is still more modern, and which is being used on an experimental basis. From Quebec I went to the air mail post

office in the airport at Montreal, and I have visited post offices in London, Ontario, in parts of New Brunswick and British Columbia.

I think I am a reasonably informed person and I must confess I was very impressed with the job being done in these post offices by the men performing the duties of postal clerks, and delivering the mail. However, great improvements are still needed. Automation is being introduced in practically every modern postal system in the world, and we should introduce more of it in Canada, if we are to meet the demands of the modern day and age, and if we are to keep costs under a reasonable amount of control.

The one thing that struck me, even within ten days of the time I assumed office as Postmaster General, was that the rising costs of new equipment and the rising costs of wages have to be taken care of by an increase in revenues. There is a serious discrepancy in our rate structure. Even before the Glassco commission made its report, Mrs. Fairclough, when she was postmaster general initiated a study to see how the rate structures stood in relation to the services being performed. The report from this study was laid before my predecessor and, before he had time to deal with it, it reached my desk.

In the meantime, certain minor adjustments that could be made by the postmaster general were implemented by my immediate predecessor, and others more recently by myself. For instance, we have increased charges for registered mail, special delivery letters and money orders. They were increased on November 1 last year and will produce $1,875,000.

The postage rates on third class mail, c.o.d. charges, and the mailing of newspapers and magazines, which took effect on April 1, likewise will bring in a substantial amount, some $6,265,000. But even with these two increases we are still short very close to $30 million in what we need to bring revenues in line with expenditures.

The first amendment that is proposed deals with what is called the local delivery rate, and it is estimated it will bring in some $8½ million per annum. I should point out that there are now two rates of postage on letters posted for delivery in Canada. When I say letters I mean first class letter mail, sealed letters as distinct from third class mail. There is a four cents rate for local delivery and a five cents rate for delivery anywhere else in Canada.

There was a great deal of merit in having these two rates when they were first introduced. The local delivery rate, as many of us will recall, was intended for letters that are posted and delivered in the same post office. In other words, a letter was placed in the post box, picked out, and put in a private box in the same local post office. In fact the rate for this service was in force even before confederation. Today, with the extension of metropolitan areas, this same four cents rate will cover the delivery of a letter perhaps 25 miles away, a letter that has moved by automobile or by rail, and has perhaps gone through half a dozen different hands.

If I may make a personal reference here, my hon. friend the member for New Westminster wired me congratulations the day I took office as Postmaster General, and drew attention to the fact that from north or west Vancouver you could mail a letter to one side of a certain road in New Westminster for four cents, but if you mailed it to the other side of the road it cost five cents. This just did not make sense. It just does not make sense, that a letter which is put into the mail has to be sorted, put in a bag, transported, then re-sorted at the other end before delivery should pay only four cents. In addition, we have rural delivery services and letter carrier services, particularly in the metropolitan areas, where most of the four cent stamps are used, and these additional services increase costs greatly. It is interesting to note that those who are getting most advantage from this four cent rate are commercial firms. I think they account for the use of 55 per cent or 60 per cent of the four cent service. In the light of the deficit of $37 million, these firms are not paying their way; they are being subsidized by the taxpayers generally. When these facts, collected in part while the previous government was in office, were brought to my attention I had no hesitation in recommending that the local four cent delivery rate be abolished and that we have one first class delivery rate, a five cent rate. That is the first recommendation contained in this resolution.

A second one is the extension of a special rate to certain cultural publications and to fisheries and forestry publications. This involves an adjustment in the second class mail rates which combines benefits to the publishing industry with a fairer distribution of the postal charges. The first benefit is represented by the proposal to extend to the publications devoted to the fisheries, forestry, arts, literature, and so on, the special rate of 1½ cents per pound which is now granted to publications devoted to religion, the sciences, agriculture and to extend this special rate to small weekly, semi-monthly and monthly publications with circulations under 10,000. I do not think any member of this committee would argue that a magazine devoted to forestry or fisheries should not be treated in the

same way as a magazine devoted to the sciences or agriculture.

The O'Leary commission recommended free distribution privileges throughout Canada for the first 5,000 copies per issue of publications referred to as "non-profit cultural" and "little" magazines. I know that many members of this committee have gone into these recommendations in detail. I myself have made a study of them. You may recall that the report ties in this proposal with a test relating to advertising content. But how impracticable it would be if we were to make postal officials in all the different districts responsible for determining how much advertising material was contained in each of these publications. Determination of the profitability or otherwise of magazines is difficult enough even for chartered accountants, and I do not think an attempt should be made to pass that responsibility on to the Post Office Department. We have gone as far as we can in seeking to implement this recommendation of the O'Leary commission and we have done it in the way suggested in this resolution.

We also propose the repeal of the local second class postal rates. This proposal is also included in the resolution. The second benefit to the publishing industry is the repeal of the local second class mail rates for newspapers and perodicals published weekly or less frequently. The local second class rate is a piece rate. This does not apply to all the publications I have been referring to; but in some instances where charges are based on weight, we recover as little as one fortieth of a cent per piece. This is ridiculous today when so much of our work is taken up with the handling and distribution of mail. The largest part of the load carried by our postmen is made up frequently of mail for distribution of which the department receives from one fortieth of a cent up to half a cent. In other instances we were getting up to two cents. Now, by a recent change, we will be getting three cents. The charge today for such local deliveries is one cent for the first two ounces, one cent for the next two ounces and one cent for each succeeding four ounces or fraction thereof. These rates are imposed by weight—they are rates per pound—and as a result it is possible to deliver a Montreal newspaper in Winnipeg or Vancouver cheaper than one could deliver the same newspaper in Toronto. There is no sense in it. There should be a minimum rate applicable to each piece of mail rather than a poundage rate, and that is what is proposed in this measure.

The extension of this special low rate and the repeal of the local delivery rate will result in no great revenue to the post office. Actually it will mean a loss. We will lose about half a million dollars on this item, and recover some $450,000 from the introduction of a minimum rate per piece, so there is, in all, a loss of $50,000 or so to the post office. As it is, we are carrying this mail on a poundage basis, and until parliament gives us the right to make the change to which I have referred the anomalies that I have mentioned will continue. However, when the change is brought about it will have the effect of putting the operation as a whole upon a sounder basis. At the risk of repeating myself, I will point out that approximately 80 per cent of the costs incurred by the Post Office Department today are incurred in the handling of mail. The department has had to gear its operation to handle individual items as against bulk mail. We now wish to extend that minimum rate principle to certain kinds of second class mail.

I do not think there is much more I can say at this stage. I shall, of course, be glad to answer any questions which hon. members may raise.

Mr. McBain: At the outset, may I offer my congratulations to the Postmaster General on his new appointment. I hope he can avoid some of the pitfalls into which the former postmaster general fell, unless of course he has his eye on the vacant Senate seat in British Columbia. I may say we hope we may not lose the present Postmaster General because we feel he has the ability to do the work assigned to him if given the opportunity.

I should also like to pay tribute to the 50,000 persons who are responsible each day for seeing that the mail is delivered in good condition and on time. I believe the employees in this department of government are a dedicated group whose devotion to duty is the foundation of the Canadian postal service. It is a devotion of which Canadians can be justly proud. On the other hand, Mr. Chairman, no doubt there has also been a certain amount of frustration in the operations of the postal department for it has had two postmasters general within the past 12 months. The report of the postmaster general for the year ending March 31, 1963 was tabled on Friday, April 3, 1964. The Postmaster General has already made reference to this report. There was some discussion a number of days ago in the house concerning this report when I asked the Postmaster General a question and pointed out that the report contained a letter addressed to His Excellency Major General Georges P. Vanier, Governor General of Canada, signed by the present Postmaster General under date of September 1, 1963.

Mr. Nicholson: Mr. Chairman, with all due respect to the hon. member, if he would permit an interjection at this stage, I would say that that date was put on the stencil after I signed it, and it was corrected as soon as I noticed it. Also, the detailed answer to the hon. gentleman's question has been prepared and will be given on Monday.

Mr. McBain: I appreciate that reply from the Postmaster General, Mr. Chairman, but would point out that there must have been considerable confusion within the department or these errors in the original report would not have occurred. I am also concerned about this, that while this report was ready last September 1, it was not tabled until April 3, 1964. Perhaps the Postmaster General can explain that at a later date. While I am dealing with this report, I wonder whether the Postmaster General will table the revised report—perhaps he has already done this—so that the sessional paper will be correct in its entirety.

The resolution before us deals with the elimination of the local delivery rate for first class mail and makes reference to certain other changes relative to mail other than first class. My understanding is that the only portion of this resolution to which parliament has to give approval is the increase of the local delivery rate on first class mail from four cents to five cents. I think the Postmaster General pointed out that this rate has been in effect since confederation; that is, the rate for local delivery mail has been less than the rate for mail outside local delivery since confederation. To me it would seem that the local delivery mail rate should still have a preference over the rate for mail delivered outside the local area.

In his presentation the minister mentioned the fact that in the city of Toronto this mail may have to go through a number of hands before delivery in that area, but I still fail to see why it would cost any more in the Toronto area. I think it would cost less to deliver in the local area than some piece of mail delivered from Toronto to his own city of Vancouver. I understand, also, that the other increases mentioned in the resolution went into effect or could have been imposed as of April 1 without the consent of parliament. If this is correct, one wonders why all these other changes were included in the resolution.

The last increase in local first class mail rates occurred in 1954 when the Liberal government of that day, after removing the excise tax on cheques previous to the 1953 election, imposed a one cent increase to offset the loss from the revenue on the tax on cheques. Prior to that increase the first class letter rate for local delivery was three cents, and at that time it was increased to four cents. The previous four cents rate for mail delivered outside the local post office was increased to five cents. The previous increase was, I believe, back in 1942, so it appears that every ten years or more the Post Office Department finds it necessary to increase the rate on first class mail. The 1954 resolution was very clear and concise. It read as follows:

> That it is expedient to amend the Post Office Act to increase the rates of postage on letters posted in Canada from the 1st day of April, 1954.

Then it goes on to say:

> (a) on each letter for delivery within the postal area in which it is posted, from three cents to four cents for the first ounce or fraction of an ounce, and from one cent to two cents for each additional ounce or fraction of an ounce—

Part (b) of the resolution dealt with the increase from four cents to five cents. The resolution we are asked to approve today is, to my mind, a jumbled-up affair. The first three lines of this resolution read as follows:

> That it is expedient to amend the Post Office Act to abolish the local delivery rates for first class mail and for all newspapers and periodicals other than those published more frequently than weekly—

I suggest, therefore, that if we accept this resolution in its present form it means that first class rates for local mail are completely abolished and there can be no more first class local mail delivery. I would hope, therefore, that the Postmaster General will give serious consideration to withdrawing this resolution and introducing a new resolution in a more concise form, similar to the one introduced in 1954 when first class mail rates were increased.

I believe the figures the Postmaster General was using in his remarks today were those for the year 1963; that is to say, the fiscal year ending March 31, 1964. Of course, he is the only one who has access to those figures. The figures I will be using are taken from the 1963 report of the Postmaster General. This report shows a surplus of some $3½ million. We must consider that this surplus was obtained under the very capable leadership of the former postmaster general, Hon. Ellen Fairclough.

One also wonders why local mail was selected as the target on which to raise revenue for the postal department. Whom will this increase affect? First of all, it will increase to some extent the cost of living, for it is the small businessman and individual who will suffer the most under the increase. Local businessmen make great use of first class local delivery mail for mailing information to their customers, monthly bills, and so on. Again, Mr. Chairman, I wonder why

local delivery mail was selected as the target to be increased, because the Postmaster General's report shows a general increase in first class mail in the years 1961-62 and 1962-63. The increase for the 1962-63 fiscal year was $115,899.87, while fourth class mail for the same year showed a decrease in revenue of $40,900.45. There is an item showing loss from theft and fire amounting to $38,646. We hope the Postmaster General will be able to tell us, before this resolution is passed, what is the loss by theft up to the present time.

Mr. Nicholson: Mr. Chairman, I can answer that question very quickly. Our losses are limited to $100 per package, regardless of how much is involved.

Mr. McBain: I am very pleased that the Postmaster General has answered the question in that way, but we would also like information as to what has been the loss from thefts which have occurred within the last six weeks or so. In recent weeks questions have been asked of the Postmaster General regarding mail thefts occurring in the Montreal and Three Rivers areas, and the minister has been quite vague in his replies as to the amount of money stolen. I am wondering whether he is withholding this information. Is he afraid to divulge the actual amount involved, for by not doing so he raises the suspicion that the amounts are very large, possibly the largest of any mail robbery yet perpetrated in Canada. I have been waiting for a reply to a question asked on Friday, April 10. This question, as reported on page 2033 of *Hansard,* is as follows:

> I wonder if the minister is able to give us any additional information regarding the unprecedented robberies from mail vans in the Montreal and Three Rivers areas. Can he assure the committee that mail clerks are now being given adequate protection, and are armoured express trucks now being used to carry large sums of money? If that is the case, is this being done only in Quebec or is the practice being followed in other parts of Canada as well?

The Postmaster General has made a reference to the increase being necessary in order to meet pay increases for postal employees. I do not think anybody would suggest that the employees should not have a generous increase, for many of these employees have been waiting a considerable length of time for this increase to come through; I for one believe that they are very deserving because of the nature of their work. However, the Post Office Department is not the only department of government which has had to face increases in salaries. I do not recall in any other instance that a department has been told it must produce sufficient revenue to pay for salary increases and changing working conditions. The Post Office Department is the only department producing revenue in this way, and apparently the public users of postal facilities are to be saddled with the increased costs.

The Postmaster General mentioned that the Department of Public Works supplies accommodation to post offices all across Canada. In many instances that is quite correct, but I am thinking of a revenue post office where the local postmaster is required to provide his own accommodation. The Department of Public Works supplies accommodation to most of the other government departments, and they are not expected to raise revenues within their departments to meet the cost of these accommodations.

Going back to the increase in mail, I am sure that many postmasters in their own post offices have been deluged with mail coming through which should now carry a three cent stamp. I am referring to unsealed letters containing printed matter. I know that the local postmaster in my area has been deluged with this type of mail. The senders of the mail are not quite familiar with the new regulations and are still sending this mail out addressed to the receiver under a 2 cent stamp. In the interests of efficiency and expediency in handling the mail the postmaster of the local post office attaches a card and expects the receiver of the mail to pay an additional 2 cents. When these increases come into effect I wonder if something could be arranged to provide more adequate information to the senders of this type of mail, so that they are informed of the proper postage. I know it becomes embarrassing to them as well as to their customers to whom the mail is sent.

I was pleased to hear the minister say that the rural weeklies are still going to receive certain facilities along the line of the postage rates they have enjoyed over a number of years. I feel that these rural weeklies are providing a service to the areas interested and should naturally be given some consideration in mailing rates.

There is one other matter before I take my seat, Mr. Chairman. I note that a new stamp issue carries a flag bearing three maple leaves on stems with a white background and a blue bar at each end. I hope the Postmaster General can inform us what this depicts. Does it represent a kite-flying activity on behalf of the Prime Minister for his design of a new flag for Canada? I will close my remarks at this point, Mr. Chairman, and I hope that some of these questions I have posed to the Postmaster General will be answered in the course of the debate.

Mr. Nicholson: Mr. Chairman, normally one might expect the minister to wait until comments have been made by other members, but in case other hon. members in the house might fall into error by statements made, in good faith, by the previous hon. member I think some of his statements should be corrected. Before making these corrections I should like to thank the hon. member most sincerely for his complimentary references to myself and, more particularly, for the well justified complimentary references to the nearly 50,000 employees of my department.

The hon. gentleman is in error when he says that the only part of this legislation which has to be approved by parliament is the abolition of the local delivery rates. I can assure the hon. gentleman that if he reads sections 11 and 12 of the act he will see that every single item in this resolution needs the authority of parliament before it can be put into effect. The hon. member need only read section 11, which deals with mailing charges for newspapers and periodicals, to see most of these items. If he reads the resolution he will see the first part of it is confined to first class mail that is the abolition of the local delivery rate; but the second part deals with the establishment of a minimum rate of one half cent per copy to each separate address for all publications other than those to which local delivery rates apply, or which have postage-free privileges, and that necessitates a change in the act. The third part of the resolution concerns the 4 cent a pound rate on specimen copies of publications and is tied in with an existing section of the act, section 12.

The last part of the resolution, which deals with the minimum rate for cultural and technical publications, is again tied in with a specific subsection of the act, section 11(3). So that all three of the other amendments I mentioned necessitate legislation before they can be put into effect, that is before the fisheries, forestry and other publications can take advantage of the suggestions which have been made, and before minimum charges for handling certain items can be taken advantage of.

Mr. McBain: Mr. Chairman, may I inform the Postmaster General that I was using information contained in a press release under date March 7. It appeared in my local paper, the *Times-Journal,* and referred to the fact that a post office spokesman had said that the changes are expected to raise $8.5 million per year. I assume this news release came from the office of the Postmaster General or from his department, and it outlines more or less that the only change which need take place is the increase from 4 to 5 cents.

[Mr. McBain.]

Mr. Nicholson: Let me assure the hon. member that I saw the press release which went out and it dealt with more than the abolition of the local delivery rates. The one which caught the eye of people in the cities and towns was undoubtedly the abolition of local delivery rate, because such people were not as interested in publications dealing with forestry, fisheries, agriculture and similar matters.

Another matter which I might deal with, to save time later on, is this. I mentioned that it was estimated that the abolition of the local delivery rates would bring in an increase in revenues of roughly $8.5 million. The hon. member for Elgin suggested that this should not be done, that there might be some other way to bring the two things into balance. Might I point out to the house that the post office handles some 12 or 13 million pieces of mail per day, roughly two thirds of which is first class mail. All we are trying to do in this resolution is to make each class of mail pay its own way. First class mail is today not paying its way. If we increase our revenues $8.5 million for handling nearly 60 per cent of over four billion pieces of mail a year, we are not going to add greatly to the load on this particular class. There is no other source of revenue from which to obtain this amount unless the hon. member wants to advocate the abolition of free mailing privileges for newspapers in rural areas. We could do something there. However, I do not believe that would be politically palatable to members on either side of the house.

If you are going to get any real help it has to come from the first class mail. When you consider there has been no change in rates for ten years, despite the extension of services in rural areas, the extension of walks and everything else, I think this is a modest increase.

Mr. McBain: Does the Postmaster General suggest that the figures I have taken from the 1962-63 report which show first class mail as having a balance over the deficit are not correct?

Mr. Nicholson: I know the hon. member was listening, but he may have been working on his notes. If he had heard my figures he would see that there are some $37 million worth of genuine expenses of the postal department that are not included in the 1963 figures and which should have been included. Perhaps I, as Postmaster General, in view of the delay in filing the report to which the hon. gentleman has referred, might have disregarded the whole report. This report was prepared early in the year 1963. It reached the deputy minister, as the report

indicates, some time in April or May of last year. Eventually, it was sent to my immediate predecessor, but he did not sign it at that time. It had been addressed to him in good faith, and all I had to do was transmit to His Excellency the Governor General a report that had been addressed to the previous minister. I did not think it was for me, particularly since a year had gone by, to change the figures in that report.

I can assure you that when the estimates for 1964 were being prepared I saw to it that these additional figures were given for the information of the members of this house. It is unfortunate that the hon. member for Elgin, and perhaps other members, may have been misled. I am sure that if the other figures were considered and it was realized that first class mail, by itself, is 53 per cent, and if you take parcel post along with it, it brings it up to over 55 per cent, and there are certain other first class items that bring the figures up between 55 per cent and 60 per cent, it would be clear that if you are going to get your proportionate share of the $37 million deficit the only way to get it is by changing the delivery rates on first class mail.

I might say that I am relying on the information of the experts, and our figures show the average rate for handling first class mail is more than four cents per piece, and, while I would concede at the outset that it costs more to deliver a letter in Ottawa, Vancouver or Winnipeg, I think all members will agree that a charge of four cents to deliver a letter from any part of downtown Toronto anywhere in greater Toronto in the metropolitan area, is too small. I have been shown that a 4 cent delivery rate is not adequate to take care of the situation. There is no thought on the part of the postal department of having first class mail pay more than its fair share of operating expenses of the department. The same statement would apply to third class mail. The mail users of third class mail are largely commercial users and advertising people. The bulk of the users of first class mail in Canada, and this can be detected through the metering machines, are the people who use the mails for commercial purposes.

The Chairman: It seems to me we are not going at this in the proper way. I feel we should give every opportunity for the making of opening statements on this resolution. Perhaps questions might be asked of the minister later on, and just now I should like to see the hon. member for Danforth.

Mr. Scott: In rising to comment on the resolution stage of this measure, I should like to join the previous speaker in extending the congratulations of our party to the minister upon his appointment. Many of us have had occasion to deal with him since his appointment and we have been impressed by his ability and his desire to improve the status of his department.

I recall that last year when the estimates of this department were before us, under his predecessor, I referred to working conditions and labour conditions under which the employees of this department operate. I do not intend to review my position at that time on this resolution because I would be out of order if I did. I merely mention it because I wanted to indicate to the minister that since that time we have amassed considerable information relating to labour conditions and working conditions of employees of the postal department. When his estimates come before us, we will be looking to him for a fairly detailed statement of his intention, programs and policies to be inaugurated to alleviate the revolting working conditions within the post office itself. The minister has only been in office a short time, but I am sure he is cognizant of these conditions. We shall be looking to him, when his estimates come before us.

Dealing with the proposals before us now, Mr. Chairman, I may say that the members of my party will deal with various aspects of the resolution and I shall deal with only one portion which relates to the proposal to increase local rates by 25 per cent, that is from 4 cents to 5 cents.

I wanted to indicate to the minister that unless a great deal more information is available to convince us otherwise, we intend to oppose this as vigorously as possible during its passage through the house. The reason advanced for the increase is that it will increase revenues, for one thing. The minister has read to us a statement of some of the unseen expenses, buildings and other services made available to the post office, which indicate the cost, over and above the figure we have been given of $36 million. I presume the increase is intended, in some way, to meet this unseen deficit.

However, sir, the other reason advanced, as I understand it, is that it will help the minister in drawing the boundaries for local mail. His remedy is that instead of trying to draw boundaries he will make everybody pay 5 cents, and presumably that will be the simplest solution. I believe, Mr. Chairman, very few people will agree. The evidence that we are able to obtain indicates that first class mail already shows a profit. The figures made available to us, for example, for 1959 indicate that first class mail showed a profit of $35 million. It seems to

me, Mr. Chairman, that if these figures are accurate, then first class mail today is not only showing a profit but is showing a sufficient profit to almost equal the unseen costs the minister outlined to the house.

This proposal is borne out in the Glassco commission report, the third edition, page 324, where it says:

> The most significant facts emerging from the above table are that first class mail is shown to yield a profit sufficient to carry all the other services and produce an approximate break-even.

If these facts are true it seems to me that in any attempt to deal with costs and deficits in the post office we should be leaving alone any classification of mail which is paying its own way and which in fact is already showing a substantial profit. It appears that the real deficit is when you get into the area of second class mail. Again the 1959 figures that are available to us indicate that this class of mail showed a loss of $26 million. Mr. Chairman, these are newspapers and periodicals that are well able to pay the freight and carry their own expenses. I really cannot understand why the users of first class mail should bear on their backs the burden of the unprofitability of second class mail.

From recent figures we understand that first class mail is carried at a profit of 1.8 cents a piece, second class transient mail shows a loss of 10 cents per piece and newspapers a loss of 4 cents per piece. What I would be interested in hearing is some explanation from the government for this subsidy to the newspaper industry. I really do not understand why this particular preference is given.

I recall that when this item was drawn to our attention by the Auditor General in the public accounts committee last year and we asked him why there was this subsidy of millions of dollars to newspapers and periodicals he smiled, and the only thing he could say was, "Well, this is the way it has always been done"; but no rational reason, no economic justification, could be given. Therefore as this legislation goes through the house we will be looking to the minister to convince us, if he can, that we should withdraw our opposition, because at the present moment it seems to me that if the people who use first class mail are paying a rate which shows a handsome profit they should not be further burdened by granting an even greater subsidy to newspapers and other publications.

Again referring to the Glassco commission, Mr. Chairman, they attempted to analyse this problem, and as found on page 326 they state the following with regard to this type of special treatment:

> It dates from the early part of the last century when the general level of literacy improved to a point where mass media had an audience. In response to the public demand for current news, and because newspapers and magazines were the only means of reaching the public on a broad scale, governments adopted a policy of subsidizing the costs of distribution.

They go on to say:

> Today, the situation is vastly different. Other media of mass communication have developed and the underwriting of publication costs by advertisers has substantially altered the economics of publishing. Publications have grown enormously in bulk in the past 100 years—the four page newspaper of the last century appears today with mammoth editions of over 100 pages—and the costs of the post office have necessarily increased very materially.

They go on to point out this interesting fact:

> The advertiser, responsible for from 40 to 70 per cent of the content of many present day publications (90 per cent was noted in one case), has become a beneficiary of the government's policy of subsidizing distribution of second class mail.

They say they cannot go into the area of public policy in this regard but they do make this recommendation:

> An annual grant be made by parliament in amount sufficient to cover the costs of the post office in handling second class mail, to the extent that such exceeds postal revenues arising from the rates set by parliament.

In short, they are urging us to withdraw this subsidy or in the alternative to bring it above board. They are saying that the government, rather than loading this cost on the backs of the first class mail users in order to justify this subsidization of the periodical and newspaper industry, should frankly admit it and put a specific amount in the estimates to cover it, rather than trying to hide it among the estimates of the department.

There is anoher aspect of this matter on which I should like the minister to comment. It arises from the avalanche of American mail coming into Canada for which our post office receives no compensation. The Postmaster General, in reply to a question asked by a member of our party, indicated that during 1961 and 1962 the deficit for handling second class mail from the United States addressed to people in Canada was $3,900,000. According to the royal commission on publications, Canada's loss on second class mail from the United States in 1960 was approximately $6 million on publications alone. How much it was for other printed matter was not stated.

It is estimated that in 1962 Canada imported printed matter to the value of $300 million, at least 85 per cent of which originated in the United States. To my knowledge there is no other comparison in the world for this relationship between two countries. We in Canada absorb 35 times more printed

imports per capita than does the United States. This has occasioned grave concern, for example, in the graphic arts industry. In one of their bulletins they point out the huge flow of printed imports year after year represented by incoming second and third class mail from the United States delivered without any remuneration by our Canadian post office. All postal revenue for this material goes to Washington because of the universal postal convention which compels us to carry United States mail without compensation. Since the flow from Canada to the United States is in no way comparable, our post office is saddled with a daily mounting debt in this regard.

It seems to me, Mr. Chairman, that there is good cause for a re-examination of the relationship between Canada and the United States in this regard. I understand, for example, that the loss incurred by our post office on *Time* and *Reader's Digest* is $1,400,000 a year. To me it is incredible that we should be in the position of distributing these fantastically wealthy publications and carrying them in our mails at a loss. These are only a few of the points that I—

The Deputy Chairman: Order. It being five o'clock and in order that the house may proceed to the consideration of private members' business it is my duty to now leave the chair.

The Acting Speaker (Mr. Batten): Order. It being five o'clock p.m. the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions, papers.

MOTIONS FOR PAPERS

MAPS SHOWING ELECTORAL BOUNDARIES

Hon. Paul Martineau (Pontiac-Témiscamingue) moved:

That an order of the house do issue for a copy of all maps, drawn up or deposited with the chief electoral officer or the representation commissioner, pertaining to the proposed redistribution of electoral boundaries in Canada.

He said: Mr. Speaker, may I make it quite clear at the outset that the purpose of this motion is to procure all the information which, in my view, hon. members need in order to examine and intelligently discuss Bill C-72, which is already before the house. I wish to make it equally clear that in presenting the motion I do so without any desire whatever of casting doubt or criticism upon the work that is being performed in this regard by the representation commissioner who, I know, enjoys the full confidence of members on both sides of the house.

If these maps are being drawn up, they are being drawn up in accordance with a statute passed by this parliament. The necessity for hon. members to have access to them is, first, to put an end to rumours that have circulated widely in the house and outside it with regard to what the maps really are, what they portend to be, and how the different electoral constituencies are being carved up.

It could be that some hon. members have seen the maps. I have nothing to say on that. Personally I can say I have not seen them, but among hon. members who have seen them there has been great discussion regarding the new boundaries. We must remember that if Bill C-72 becomes the law of the land it will be initiating something very new. It will not only be a redistribution but a real revision of every electoral district in Canada, carried out in a manner different from that used in the past, namely by the appointment of independent, provincial commissions.

The importance of having the maps is to be able to decide exactly whether or not the proposal contained in clause 13 of Bill C-72, which stipulates a tolerance of 20 per cent from the provincial average of population, is a reasonable proposition. How can that be done without having access to maps, whether they be definite or hypothetical, complete or fragmentary? At least they are maps which will give hon. members some indication how the constituencies will look if this 20 per cent tolerance is adopted.

Another reason for my insistence upon this motion is to put an end to the aura of speculation and rumour under which the proposed redistribution is couched. I understand that at the moment there are three sets of maps, each made up with a different tolerance or margin, upwards or downwards from the average. I am told one is set up with a proposed tolerance of 10 per cent, another with a tolerance of 20 per cent, and a third with a tolerance of 30 per cent or 33⅓ per cent.

Mr. Pickersgill: Mr. Speaker, perhaps the hon. member would permit me to interrupt him at this point to recall that I gave an answer to this question in the house. He may not have been present when I did so, but it was a definite answer from the representation commissioner, who said he had prepared rough drawings on a 10 per cent and on a 20 per cent tolerance, and was in the course of preparing another series on a 25 per cent tolerance. We do not need to rely on rumour on this particular point.

Mr. Martineau: I thank the minister for his information.

Mr. Pickersgill: The information was given to the house four or five days ago.

Mr. Martineau: It is new information so far as I am concerned because, unfortunately, I was absent and did not hear the words of wisdom of the minister on that occasion. But his intervention only sets out in clear light the necessity to have these maps produced. Surely if we are to decide whether we should have a 10 per cent, 20 per cent or 25 per cent tolerance, we should be able to see them?

When has a court ever deprived a jury or itself of the means of getting information pertinent to a subject? This is what I am seeking at present—information pertinent to the redistribution bill. From what the minister has said today, and from what he said on a previous occasion, we know there are two sets already drawn up and a third one is being prepared.

The tolerance can be applied in many different ways in each individual constituency. In other words, you could chop off the north end of a constituency and add something to its south end, or take away from its east side and add to its west side. To give a concrete example I mention my own constituency of Pontiac-Témiscamingue. Geographically it is one of the more extended constituencies in the country. It is also one that comes far below the required minimum of population proposed by Bill C-72. Its population is about 41,000, and the average constituency population in Quebec will be something like 70,000. If we take a tolerance margin of 20 per cent this means that constituencies in Quebec should have a minimum of 56,000 population and a maximum of 84,000.

There is another factor with regard to Pontiac-Témiscamingue that I wish to mention, namely that it is made up of two counties which are different from the counties in most constituencies. They are separated by forest or bushland some 200 miles in length and breadth, which means that two counties really have no direct contact between them. One part is a northern county, so far as the province is concerned, and the other is a western county, with this large tract of woodland in between with no inhabitants in it.

One would think that the logical way to deal with such a situation would be to attach the northern end of the county of Témiscamingue to the constituency of my hon. friend from Villeneuve (Mr. Caouette), who at one stage represented the county of Pontiac, and to attach the lower end to the—

The Acting Speaker (Mr. Batten): I apologize for interrupting the hon. member but I am sure he will recognize the very narrow limits of this debate. The only question before the house is whether or not the documents in question should be produced. May I quote to the house a ruling in this regard made by Mr. Speaker Michener during a debate on February 8, 1962. It will be found reported on page 682 of *Hansard* of that year. He said:

> Before the hon. member proceeds further with that line of argument I think I should say to him that my view of the scope of the motion is that it is limited to the desirability of the production of the documents. The motion is one calling on the government to produce the documents referred to in the motion and the question in issue is whether or not they should be produced.

May I go on to read what was said by Mr. Speaker Lambert on November 18, 1962, as reported on page 1427 of *Hansard* of that year. Mr. Speaker Lambert said:

> I should like to draw attention to the very narrow limits of the debate at this point. The matter under debate is merely whether the documents should or should not be produced, not whether under a certain act, something could or could not be done.

I am sure the hon. member recognizes the narrow limits of the motion before the house and I would suggest he confine his remarks to the motion.

Mr. Martineau: Thank you very much. I do indeed recognize the soundness of the ruling you have just made, and if I have referred to constituencies, to my own constituency in particular, it is in order to show why it is desirable that these maps should be before us. It was to show that if a certain tolerance is adopted, you have a constituency with a certain appearance; if another tolerance is adopted, the constituency has a different appearance. At a later date, the committee of the whole house will have to decide whether or not the tolerance of 20 per cent which was proposed is the best which could have been chosen, and it would be infinitely better I think if the committee in carrying out this task could have the maps before it. That is why I am quoting the example of the constituency of Pontiac-Témiscamingue where one set of maps would for instance, bring the town of Rouyn into the constituency and another set might bring in a large section of the constituency of Gatineau. I think that is pertinent information for the committee to have in its possession before reaching conclusions about certain aspects of this bill.

The purpose of this motion is to provide for members of this house the fullest possible information on a question which is of vital interest to them and to the country. I am asking for the production of this material so that hon. members, as legislators, may be sure that Bill No. C-72, to which I presume the house will give its attention again in due course, is a proper solution to the redistribution problem. That is the only reason. To summarize—I see I do not have many minutes left—let me say I think it will be useful

for the house to have these maps, first in order to put an end to a plethora of rumours and, second, so that members may have before them in diagramatic and vivid form material on the basis of which they can better decide whether or not clause 13, as drafted at present, is acceptable and fair to all concerned as the basis for redistribution and as a basis, also, for the work of the commissions which are to be appointed. When the maps are before the committee it can determine whether or not due regard is being given in the legislative proposal to the immense geographical and territorial differences which exist between some constituencies and others. If, with the maps before them, members of the committee can see that what is being proposed is absolutely unrealistic and incapable of being performed satisfactorily, they may then decide on some other course, some other tolerance, or some other way in which to act so as to give adequate representation to all sectors and to all people in Canada. If the maps reveal that because of very large territorial differences, because of physical obstacles, because of a large number of hamlets spread out over immense areas, hon. members who will be called upon to represent such constituencies would find themselves faced with a completely hopeless task, I say it will be the duty of the committee at that stage to decide on some other course in order to ensure to Canadians the best possible representation.

Hon. J. W. Pickersgill (Minister of Transport): The motion seeks to compel the representation commissioner to produce certain documents which the other day, in response to a request from the other side of the house, I informed hon. members were in existence. I also informed the house that those documents were, virtually, mathematical exercises which could not conceivably bear any relationship to the ultimate disposition of the problem which will come before commissions which have as yet not even been created and which, if the legislation we are considering in another context is adopted, will require the exercise of the independent judgment of independent persons.

So what the motion is asking for is something which has no relationship whatsoever, except as an exercise in map drawing, to what will eventually emerge, if there is any disposition on the part of this parliament to deal with this problem and to deal with it in any reasonable time. Because the house is being asked to produce documents prepared by an officer of parliament I wish to make it clear at once that there is no question of confidence in the government involved in this matter. The house has a perfect right to ask its officers to produce any documents it wishes, and in speaking today I am speaking only as one of the members of this house. However, I hope that the reasons I am about to give for opposing this motion—and I certainly intend to vote against it—will commend themselves to every member, and that I may convince the hon. member for Pontiac-Témiscamingue (Mr. Martineau) of the unwisdom of having made this suggestion and of the wisdom of withdrawing it without putting the motion to the house at all.

I intend to deal seriatim with the points the hon. gentleman made. He said the purpose of this motion was to permit hon. members to discuss the bill intelligently by procuring the information they needed. I contest that point directly. I say that exercises which will assist the commission, when commissions are set up, constitute the kind of information which would only serve to confuse and obscure the issues, possibly not among members in this house, but certainly among the public. I say this because we all know that when pictures and diagrams are published in daily newspapers, which most people do not read very carefully, an impression is bound to be created that something definite has been decided when, in fact, nothing definite has been produced. As for hon. members being able to consider this subject more intelligently, an offer was made, through my mouth, by the representation commissioner, to all parties in the house that they could choose a few of their members to look at these maps and have them thoroughly explained by people competent to do so in order that they would know exactly what they were and what they were not, and could exercise their intelligence on them. So there is no suggestion on the part of the representation commissioner of concealment. Moreover, the hon. gentleman was careful to say and, I am sure, most sincerely, that he had the utmost confidence in the representation commissioner. It is the view of the representation commissioner who, after all, is the only person with any experience of having these maps produced, that publication of them would result in confusion and the misleading of the public.

As to the suggestion of putting an end to rumour, I suggest there are no rumours about these maps whatsoever which have not been created by some hon. members or by some other hon. members—and I am making no imputations on anyone. But there could be no rumours unless they had been started by ourselves. Moreover, a means of dispelling these rumours has already been recommended to the house. They could easily be dispelled, and I have a very strong impression that they do not exist outside the house at all. In fact, I think we take ourselves a lot too seriously

about this matter. The rest of the public is not concerned, in the way we are, as members, about the size and shape of our constituencies, and when we express all this vast concern about the size and shape of our constituencies I suggest we are thinking of ourselves, not of the public, and that we should remember that no matter what the size and shape of one's constituency may be there can only be Canadian citizens in it as voters, that if we do not have enough appeal to them we shall not be elected, and if we do have sufficient appeal then, regardless of the boundaries, our constituents are going to elect us.

I suggest we are displaying a somewhat vain posture when we show too large a concern about the shape or size of our constituencies or talk about how desperately disappointed our constituents will be if they happen to be represented by somebody else, whereas, in fact—and I am sorry to have to say this—most of them do not care a great deal. They want to be represented in the house, and they want to be represented fairly in the house. In that context, Mr. Speaker, I would remind the hon. member for Pontiac-Témiscamingue of this point. He said that in Quebec, with a 20 per cent tolerance the smallest constituency would have a population of 56,000, and the largest a population of 84,000. If you had any constituency with less than 56,000, it means you must have another one somewhere else with more than 84,000; and this is something that sometimes seems to be forgotten. I do not know why it should be thought that some constituencies should have a population of 90,000, so that some other hon. member will only have to represent 50,000. I suggest this is, again, thinking of one's own interest more than the public interest. I will not continue with that theme, Mr. Speaker, because you will be calling me to order; this is perhaps only indirectly related to the question of the publication of the maps.

The best reason the hon. member gave for not producing these maps was that the tolerance could be applied in many different ways—and so it can. Therefore, if these maps were published, where the tolerance has necessarily to be applied in one particular way, it would be bound to create a false impression because almost certainly the commissioners, if they do their job properly the way we expect them to do it, will not accept any of these maps but will use their own judgment. Otherwise we are wasting our time; otherwise we might just as well tell the representation commissioner to do the whole job himself.

If we are going to set up commissions that are not going to exercise an independent judgment, we are wasting public money by suggesting it; and I do not think we are, because I do not think the representation commissioner by himself could do the job, and I do not think he should do it. I do not think it should be done by any one man. I think it does require a proper consideration of geographical, historical and other factors that cannot be in the knowledge of the kind of people who would draw the original drafts here in Ottawa in some office. It will have to be subjected to all those practical considerations that we expect the commissions to weigh and which it will take at least a year to do. There is only one thing that can happen if these maps are made public; that is to create all kinds of false impressions and rumours beside which any rumours that exist now will hardly be noticeable.

In other words, it is hard to believe that any hon. member could seriously support this motion unless he was anxious to create in the public mind a false impression, instead of a true impression, of what was being done.

Mr. Martineau: Mr. Speaker, I hope the hon. minister is not beginning to impute motives.

Mr. Pickersgill: Oh, no; I merely—

Mr. Martineau: If he reflects a little on his last sentence, I think he will realize that no other inference can be drawn.

Mr. Pickersgill: There is an old adage about the cap fitting, sir. I did not impute motives to any individual member of the house at all; I just said I feel that any hon. member who would, on reflection, after hearing these arguments, still support this motion would, I think, be seeking to mislead the public—

Mr. Martineau: Such modesty.

Mr. Pickersgill: —and create false impressions. The hon. member said we ought to see these maps because we are the jury. That, sir, is another very, very unsound—

Mr. Martineau: On a question of privilege, Mr. Speaker; I did not say we ought to see these maps because we are the jury; I simply used the example of a court and a jury. Before making any decision, the members have the right to have full access to all pertinent information. I do not see why the minister should persist, on the one hand, in—

Mr. Deputy Speaker: Order.

Mr. Martineau: Mr. Speaker, may I finish stating my question of privilege?

Mr. Pickersgill: This is not a question of privilege; it is just taking up my time.

Mr. Martineau: I am speaking on a question of privilege. I say that the minister, on one

hand, is insisting on imputing motives. He said, "If the cap fits, let him wear it". I happen to be the sponsor of the motion, so it is reasonable to assume that I support the motion. But the minister always comes around to some argument imputing motives, on the one hand, and on the other hand twists the words that are used. I reject his imputation on both grounds.

Mr. Deputy Speaker: I am sure the hon. member knows there is no question of privilege at all there. He may feel he has been misquoted by the minister; but he has an opportunity later in the debate to straighten out the facts or to explain what he said. However, that is certainly not a question of privilege.

Mr. Pickersgill: I am not going to raise a question of privilege, a phony one, about the motives just imputed to me by the hon. gentleman.

Mr. Martineau: On a question of privilege, Mr. Speaker—

Mr. Deputy Speaker: Order. Is the hon. member rising on a question of privilege?

Mr. Martineau: Yes, Mr. Speaker. The minister has just again stated that this was a phony question of privilege—

Mr. Pickersgill: So did the Speaker.

Mr. Martineau: —and he is thereby imputing motives. I submit that I raised the question of privilege frankly and in a sincere way, to set the record straight.

Mr. Pickersgill: Mr. Speaker, I—

Mr. Deputy Speaker: Order. I must rule, again, that there is no question of privilege.

Mr. Martineau: Surely, Mr. Speaker, you are not going to condone the minister making the charge that I put forward a phony question of privilege? Perhaps it was not an acceptable question of privilege, but it cannot be phony, because I raised it in good faith.

Mr. Pickersgill: A lot of phony things have happened in good faith, as all of us know.

Mr. Martineau: But "phony" has a particular connotation.

Mr. Pickersgill: Mr. Speaker, I was rising to say that I was not going to raise any kind of question of privilege about the motives just imputed to me by the hon. gentleman, because so many motives have been imputed to me in this house from that side that we would have nothing but questions of privilege if I was as thin skinned as hon. gentlemen opposite seem to be—but happily, I am not. The hon. gentleman did use the word "jury" and he used it in precisely the sense that he rose on his so-called question of privilege to define. He said that we needed this information in order to exercise our judgment as legislators.

Mr. Martineau: That is right.

Mr. Pickersgill: We do not need this information in order to exercise our judgment as legislators, at all. What we decided by a vote of this house, by a unanimous vote of this house, was that we were not going to exercise our judgment as legislators about the shape and size of the constituencies, beyond fixing the tolerance. That is what we decided when we accepted the second reading of this bill. We decided we were going to appoint independent juries to look at the maps and to make recommendations. Therefore I contend that it is none of our business at all to see these maps until the work has been done, and that in effect to see these maps is really an attempt to make a gerrymander by the back door.

Mr. Martineau: Mr. Speaker, may I ask the minister a question?

Mr. Pickersgill: When I have concluded. I did not interrupt the hon. gentleman when he was making his remarks, and I would like to conclude mine. I say that the suggestion that we should concern ourselves about the work of the commissions is to do precisely what the right hon. gentleman who sits opposite now condemned so strongly in 1951 and 1950 in this house. We would be trying to interfere with the process that we decided upon by a unanimous vote to give to somebody else. That would be the effect of trying to do it in this back-handed fashion. We would be trying to bring in a gerrymander by the back door. That is precisely why I think this motion should be defeated. I would be happy if it could be withdrawn, realizing what we would be doing after deciding not to have a political redistribution, after deciding to have it done openly in the house. We should not try to do it in an indirect fashion by devices of this kind.

I think that is the strongest of all the reasons why this motion should be rejected. I say again, Mr. Speaker, that if the maps were published—I do not think it would be a very serious thing if every hon. member of the house examined them—it would be a very serious interference with the work that we entrusted, by act of parliament, to the representation commissioner, whom we appointed by act of parliament. If these maps were published, my own opinion is that no amount of explanation that they did not represent what the ultimate results would

be would ever catch up with the maps, and impressions would be created all over this country that this was all arranged already, when it has not been at all; and the possibility of having a fair and independent redistribution by commissions which would be appointed as the result of legislation passed by this parliament would be destroyed.

I had hoped that when we set our hands to this task and did it in the non-partisan spirit of taking this whole business out of politics and keeping it out of politics, we would go through with it and not start faltering half way. I do not impute any motives to the hon. gentleman; I just impute a certain lack of reflection, a certain lack of consideration, a certain lack of judgment, shall we say, that we normally expect from him and normally do get from him, because he is one of the more sagacious members of the house in matters that are perhaps not of such direct concern to him as this. But I do say again that the publication of these maps will not end rumours. It will start more rumours and create more false impressions. The hon. gentleman said he wanted to get the facts before us. There are no facts at all in these maps, because they will bear no relationship, except purely accidentally, if they do at all, to what will eventually result from a proper redistribution if we pass the kind of legislation we are now debating in this house. All they could possibly do is make confusion worse confounded.

Therefore it seems to me that if we are sincere and honest in our desire to end gerrymandering for good and to take out of partisan politics the redistribution of the representation in this house, we will reject every kind of device which will make that more difficult. I feel sure that production of these maps would have that effect.

Mr. Martineau: Would the hon. member permit a question. He stated that it was none of the business of members of parliament to have access to those maps. Why, then, at the outset of his speech did he say that members on all sides nominated by a whip or someone from each party could see these maps, if they have no business to see them? Surely the minister is not suggesting that these maps are merely exercises in futility?

Mr. Pickersgill: No, they are not exercises in futility, any more than building the foundations of a house is unnecessary to the house. But if you produced a picture of the foundations and said that this was the completed house you would certainly be creating a false and misleading impression. That is exactly what we would be doing by producing this kind of map. The hon. gentleman said that I said that it was my opinion that it was no business of the house to see these maps at all. That is my opinion but—

Mr. Deputy Speaker: Order. I regret I have to interrupt the minister but his time has expired.

Mr. Pickersgill: I should have liked to finish that sentence.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have stated on several occasions, both in the last session and in this one, that I think it is a high point in the history of the Canadian House of Commons that we have decided to take redistribution out of politics. I think the decision we took when we passed the bill in the last parliament appointing the representation commissioner was a tremendous step, and we can take pride in the fact that Bill No. C-72 which is now before the house was given second reading with unanimous support. It is because I am so proud of the decision that parliament has taken to put an end to redistribution by political committees on the basis of political considerations that I think we should go down the line with that decision, and on that basis I hope that the hon. member for Pontiac-Témiscamingue (Mr. Martineau), after debate has continued a little while, will see fit to withdraw this motion.

It seems to me that to ask for these sketches—or transparencies, as I have heard them described—to be produced would not only add to the confusion in the way the Minister of Transport (Mr. Pickersgill) has indicated, but it would give the appearance of parliament wanting to keep its finger in the drawing of these maps. I listened to the hon. member for Pontiac-Témiscamingue making a very plausible case for our needing to see them so as to make up our minds whether or not we would support the legislation; but I would suggest that either we believe in the principle of independent redistribution or we do not believe in that principle. Either we believe in giving the matter to people outside parliament or we do not. Either we believe in the principle of certain tolerances and standing by them or we do not.

The hon. member for Pontiac-Témiscamingue wants us to defer our decision on a matter of principle until we have seen what the results of applying that principle would be.

Mr. Aiken: Right.

Mr. Knowles: Someone says "right". I think that that is a mistake and is a retreating from the high point which we reached when we in this parliament, both with respect to the bill passed last session and on second reading of

Bill No. C-72 this session, decided to go for a non-partisan, non-political redistribution.

Mr. Martineau: Would the hon. gentleman permit a question. I wonder if the hon. member would tell us whether in his view the question of tolerance, whether it be 10 per cent, 20 per cent, 25 per cent, or whatever it may be, may be discussed without in any way affecting the principle on which this house has already agreed, namely that of independent redistribution? If the hon. member answers that question affirmatively, does he not think that certain documents and maps placed before the committee would be helpful in deciding whether one tolerance is right, or whether it should be some other tolerance?

Mr. Knowles: I not only think the matter can be discussed without seeing the maps, but I think it can be discussed far better without seeing them. If we agree with the idea that we should approach representation by population, either we decide scientifically upon certain tolerances and stay with them or we admit that we do not believe in the idea and want to decide on a tolerance which will produce the kind of boundaries we want. That is what we have done in the committees which handled redistribution across the years of our history, and I think we should get away from that.

I should like to read two or three sentences dealing with this question of doing the job independently, which I think are classical statements and bear repetition. They are to be found at page 1651 of *Hansard* for April 18, 1950. My first quotation is as follows:

> I say that the time has come to consider the adoption of a system of redistribution of constituencies every ten years as the population changes, not in accordance with political considerations or personal bias, but that scientific consideration should be given to redistribution on the basis of population by a commission composed of the chief electoral officer, the surveyor general and one judge or more. No political considerations would be involved in such a commission. I would place them in a position where they would consider the whole matter of redistribution without denying to parliament the final say in connection therewith.

Mr. Martineau: We agree.

Mr. Knowles: My hon. friend says the Conservatives agree. Please note that the request made then was that this commission be put completely beyond political considerations. The suggestion was that the only place parliament should come in would be at the very end. To request that we now see these maps is, I submit, to suggest that we have some finger in the pie as far as the work of the representation commissioner is concerned, and that we are interfering in the job even before it gets started.

May I read one more sentence and then I suspect that hon. members will know whom I am quoting. In the next paragraph the same speaker said:

> I feel now, with redistribution at least two years removed, the time has come to look into the matter of establishing a commission which would be free from political considerations to determine this question, not with a view to the political outcome in the ensuing election but in order to assure that democratic procedure shall be maintained in our country.

I have taken those words from a speech made in the House of Commons on April 18, 1950, by the then member for Lake Centre, later prime minister and now the Leader of the Opposition (Mr. Diefenbaker). I ask hon. members to ponder those words, that clear clarion call for putting the drawing of the boundaries of the constituencies of members of the House of Commons beyond political considerations. Yet it is now suggested that even before we have passed this bill, while we are still considering it, we ask to see, and to have made public for all the country to see, the exercises which are being made before we finally decide whether we agree to the principle and before we finally decide on the tolerances.

I am opposed to this motion because I believe to vote for it would be to cast a vote inconsistent with the vote which this house has already cast on second reading of Bill No. C-72. I would also point out that this same bill contains a clause, clause 17, which provides for the commissions, once they have been appointed and have done their job, to hold public hearings and to make the maps public for everyone to see—citizens generally, members of parliament, whoever you will.

In this motion it is asked that we be given some special privilege ahead of time to see these maps. It is asked that something be done now, even before the commissions are appointed, and which the commissions are not supposed to do until they have surveyed the whole situation and done their work. I think we are not only confusing the public, but we are certainly putting the members of these commissions in a very difficult position if we are going to see these sketches, these exercises, ahead of time, because we will inevitably state opinions about them and confuse the whole situation.

I feel about this as I feel about every other aspect of this whole question of redistribution. I think that parliament has done itself proud in getting over nine decades of the worst kind of redistribution. I think that parliament has done itself proud in the unanimous decision which it has taken, a decision agreed to by all members of all parties, to go for redistribution by a completely independent body, and I hope we will go all the way through with this decision.

I am not going to get into another argument which has been raised in another connection; suffice it to say that as far this aspect is concerned let us be consistent and go all the way. Having decided that we are going to give the job to people whom we will not control or meddle with, or to people whose work we will not try to influence, let us stay with that decision all the way down.

This is a terribly important issue, basic to the whole constitutional set-up. I regret the matter is being delayed. This is 1964 and the last census was taken in 1961. It would be a tragedy, almost a treason to the constitution of Canada, if because of delays on this matter the next election had to be fought on the constituency boundaries which were drawn on the 1951 census. I am afraid that if these sketches are produced this would add to the delay. Hon. members would start complaining about what is going to happen to their constituencies—and that is an anomaly right there. The constituencies are not ours. We are concerned with the rights of the people of Canada. As I say, I think that anything that delays carrying out the requirement of the constitution of Canada for redistribution after every decennial census is treason to the constitution itself, and regardless of who is responsible for the delay, whether it is the opposition that is holding up the matter or whether it is the government that is not bringing forward the bill, I believe that we should get on with the job.

I deplore the delays and I deplore any move to retreat from the very highminded decision of principle that parliament has taken to put redistribution beyond partisan politics, beyond the kind of thing we have had for the last nine decades. Therefore I hope that when this debate is over the hon. member for Pontiac-Témiscamingue (Mr. Martineau) will be consistent with his vote on second reading of Bill C-72 and will ask that the motion be withdrawn.

Mr. Korchinski: Will the hon. member permit a question?

Mr. Knowles: Gladly.

Mr. Nasserden: May I ask a question?

Mr. Knowles: Certainly.

Mr. Deputy Speaker: The hon. member for Rosthern.

Mr. Nasserden: Mr. Speaker, I wonder whether the hon. member who has just taken his seat will tell us whether he has seen the maps?

Mr. Knowles: I am told there are no maps so far. Therefore one cannot say he has seen maps. However, in response to the suggestion that was made I have seen some of the sketches that are referred to as transparencies, consisting of lines drawn on transparencies that are put over old maps.

Some hon. Members: Oh, oh.

Mr. Knowles: Just a minute. These are what are referred to, and if they were published I am satisfied they would confuse the situation. I say quite frankly in reply to the hon. member for Rosthern that what I have seen does not make me happy in terms of personal self-interest. I should like to see Winnipeg North Centre stay as it is, but any sketch I have seen indicates that many changes are going to be made. But what is involved is a matter of principle.

Indeed, all parties in this house have taken a stand on the principle that the seats in the house are not ours, that the House of Commons belongs to the people of Canada and that the boundaries should be drawn in a way that will best serve their right to have proportionate representation in the House of Commons.

Mr. Korchinski: Mr. Speaker—

Mr. Deputy Speaker: Order. The hon. member for Cariboo. There is so little time left and as there are a number of members who still want to take part in the debate I wonder whether we could let them proceed.

Mr. Bert Leboe (Cariboo): Mr. Speaker, I am only going to say a very few words, chiefly to register my opposition to the production of any drawings or working sheets of any kind by the commissioner. In my opinion, if there is anything that could be termed meddling this would be it. I feel very strongly on the matter. It seems to me that if these documents were produced we would be defeating the very thing we have started out to do.

I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) that certainly the first thing we must do is to put those who are going to be charged with the task in a position where they can go to work and get the job done. The situation in which we find ourselves, namely arguing over some transparencies or drawings, is in my opinion a reflection on the members of the house from the point of view of what we are really trying to do here. Either we must be on the side of removing this matter from politics or we must be on the side of keeping it in politics. We cannot be both.

I feel that the motion before us is a projection of the discussion that has taken place on clause 6 of the bill, and in my opinion the matter is being brought forward in another form in order to keep politics in the business

of redistribution, instead of removing them. I do not think we should put ourselves in the position of trying to predetermine the work of the commission. After the commission has done its work we will be able to make representations to it. People will be able to make representations then, if they see something that they think makes representations necessary. In the present position we are just guessing a half and multiplying by two or guessing a quarter and multiplying by four. This only aggravates a situation that is wrong in the first place. I say: Let us get on with the business of getting the commission operating when we go back to the bill. I would also ask on behalf of the members of this house that the motion be withdrawn before the debate ends, so that we can get off on the right foot.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, a few moments ago I heard the Minister of Transport (Mr. Pickersgill) say that the electoral maps which were made available to the members in the past few weeks were only mathematical exercises, but I fail to see the necessity of doing mathematical exercises in the redistribution of electoral boundaries.

According to all members, we should remove politics from the new redistribution. The best way to remove politics from that very important issue would have been first, not to invite the members to see those maps because then it was an attempt to get those who are in politics to discuss with the chief electoral officer the way a riding should be reorganized.

On the other hand the minister told us that he wished that those maps which in fact can be seen—I have seen them myself—be not even studied by the provincial commissions. Why draw up those maps then? By not doing it and letting the provincial commissions prepare the new maps, this afternoon's debate would not have taken place.

In fact, I do not think that a single member is satisfied with those maps which we have seen at the office of the chief electoral officer. As a matter of fact, hon. members go back to their own riding spreading rumours right and left, as mentioned a while ago by the hon. member for Pontiac-Témiscamingue (Mr. Martineau). They are asking themselves what 10, 20 or 30 per cent might mean in their ridings or their regions? If the matter is to be settled definitely by the provincial commissions, a stop should be put to the drawing up of electoral maps in Ottawa and the provincial commissions should be left entirely free to determine the new boundaries of the federal ridings for future elections—

An hon. Member: Six o'clock.

Mr. Caouette: Mr. Speaker, it is six o'clock—

Mr. Boulanger: No, it is five to six.

Mr. Caouette: Someone said it was six o'clock. I do not know who it is but I think it is my hon. friend for Joliette-L'Assomption-Montcalm (Mr. Pigeon) who is always in a greater hurry than anyone else.

Mr. Speaker, concerning the mathematical gymnastics which the chief electoral officer has been required to do, now that we have seen those maps, it is obvious that he will also have to do geographical gymnastics.

Now, several people are dissatisfied with the new electoral boundaries which are to be suggested to the provincial commissions. In that connection, I should like to repeat what I said a moment ago:

First, the minister should never have invited the members to see the maps if he wished to keep politics out of the question.

Second, such mathematical and geographical gymnastics should not have been imposed on the chief electoral officer either.

Third, the whole thing should have been left to the provincial commissions. Then, we could have said at last that the matter was free of politics and that we approved the decisions made by the government.

[*Text*]

Mr. Deputy Speaker: The hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows:

[*Translation*]

The hon. member for Lapointe (Mr. Grégoire), extension of the winter works period.

[*Text*]

Second, the hon. member for Broadview (Mr. Hahn), national civil aviation policy; third, the hon. member for Queens, discussions with the United States representatives with respect to the Passamaquoddy project. The house will now resume the business interrupted at five o'clock.

Post Office Act

POST OFFICE ACT

AMENDMENTS RESPECTING DELIVERY RATES ON PUBLICATIONS

The house resumed consideration in committee of the following resolution—Mr. Nicholson—Mr. Lamoureux in the chair:

That it is expedient to amend the Post Office Act to abolish the local delivery rates for first class mail and for all newspapers and periodicals other than those published more frequently than weekly; to establish a minimum rate of one half cent per copy to each separate address for all publications other than those to which local delivery rates apply or that have postage-free privileges; to make the four cent a pound postage on specimen copies of publications subject to either the local delivery rate or the minimum rate, whichever is applicable and to extend to certain cultural and technical publications the privileges now granted to newspapers and periodicals devoted to religion, the sciences or agriculture.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Kindt: Mr. Chairman, I rise on a point of privilege which affects every member of this house.

Mr. Knowles: We are not in the house.

The Chairman: Order. I think I should bring it to the attention of the hon. member that he can only rise on a question of privilege affecting the members of the house when the Speaker is in the chair. He cannot rise on a question of privilege that affects the house in general when we are in committee.

Mr. Kindt: Then what is the procedure for getting a motion before the house at this time?

Mr. Nielsen: Mr. Chairman, I move, seconded by the hon. member for MacLeod, that the committee rise and report progress, in order to enable the hon. member to bring his question of privilege before the house.

Mr. Knowles: But we do not even know what it is.

Mr. Nielsen: Will Your Honour please put the question?

The Chairman: I have no motion before me. It will have to be transmitted to me in writing.

Mr. Nielsen moves that the committee rise and report progress. I assume, if I may change the formula, it should also request that the committee have leave to sit again later this day or the next sitting of the house as the case may be. Is it agreed?

Some hon. Members: Agreed.

Progress reported.

[Mr. Deputy Speaker.]

PRIVILEGE

MR. KINDT—REPORTED AMALGAMATION OF INTERNATIONAL AIR LINES SERVICE

Mr. Lawrence E. Kindt (MacLeod): Mr. Speaker, I rise on a point of privilege affecting every member of this house. Two national news broadcasts, between six and seven o'clock this evening, carried the information that the Minister of Transport (Mr. Pickersgill) had given his blessing to the amalgamation of T.C.A. and Canadian Pacific Air Lines, at least in the international field, and discussions are proceeding with this objective in view.

My point of privilege is that the Minister of Transport has released this information before informing this house. This is a direct affront to the members of the house. The Minister of Transport is not a new member, and therefore should know better, but the move on his part was undoubtedly deliberate and directly opposed to the rules, rights and privileges enjoyed by members of the house.

I should like to be charitable to the minister, but if he persists in this type of action the only correct procedure is to press for his resignation.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker—

Mr. Erik Nielsen (Yukon): May I speak on the point of privilege—

Mr. Deputy Speaker: Order. The Minister of Transport.

Mr. Pickersgill: Mr. Speaker, I have made no statement of any kind to the press. Anything that has appeared anywhere is speculation. The hon. member for Broadview (Mr. Hahn) attempted to ask me about this matter this afternoon, and no doubt excited some speculation by doing so.

The matter is set down for debate at ten o'clock this evening, and I intend at that time to make a statement, but the statement I am going to make is a matter that has nothing to do with the business of the house. It has to do with the administration entrusted to the government and it would not be the kind of statement that would normally be made on motions in any event, so that on every count there is no reason why the time of the house should be taken up with a matter of this kind, except as a matter of debate.

Mr. Nielsen: Mr. Speaker, may I speak on the point of privilege?

Mr. Pickersgill: I suggest, sir, there cannot be any debate on this matter unless there is a motion.

Mr. Nielsen: On a point of privilege—

Mr. Pickersgill: On a point of order—

Mr. Diefenbaker: Mr. Speaker—

Mr. Pickersgill: Surely the right hon. gentleman, who is erupting like a volcano, realizes any hon. member may raise a point of order, even a minister of the crown—

Mr. Deputy Speaker: Order.

Mr. Pickersgill: —and my point of order—

Mr. Deputy Speaker: Order. Perhaps hon. members may wish to say something after I have spoken, but the way I see the matter is that this has been brought to the attention of the house as a question of privilege raised by the hon. member for Macleod (Mr. Kindt), based on a statement alleged to have been made by the Minister of Transport (Mr. Pickersgill).

The Minister of Transport denies having made such a statement, and my understanding of the rules and the practice of the house is that hon. members have to accept the veracity of a statement made by another hon. member. In the circumstances I have to rule that there is no question of privilege, and since there is no motion before the house there cannot be debate. I trust hon. members will co-operate with me in this difficult matter and recognize that there is no question of privilege, at least at this time.

Mr. Kindt: On a point of privilege, I for one have listened to the broadcast tonight on two separate radios—

Mr. Deputy Speaker: Order please.

Mr. Kindt: —and my point of privilege is that this is something affecting all members—

Mr. Deputy Speaker: Order. Will the hon. member kindly resume his seat for just a moment, unless he has another point of privilege to raise different from the one he has brought to the attention of the house? He has made his point. We have heard an explanation from the minister, brief and to the point, and I do not think that there is any debate possible at this time. The ruling of the Chair is that there is no question of privilege, and I would very earnestly ask the hon. member to accept the ruling of the Chair at this time.

Mr. Kindt: But it was a pack of lies given by the Minister of Transport.

Mr. Deputy Speaker: Order, please. The house will now resume in committee of the whole.

Post Office Act

POST OFFICE ACT

AMENDMENTS RESPECTING DELIVERY RATES ON PUBLICATIONS

The house resumed consideration in committee of the following resolution—Mr. Nicholson—Mr. Lamoureux in the chair:

That it is expedient to amend the Post Office Act to abolish the local delivery rates for first class mail and for all newspapers and periodicals others than those published more frequently than weekly; to establish a minimum rate of one half cent per copy to each separate address for all publications other than those to which local delivery rates apply or that have postage-free privileges; to make the four cent a pound postage on specimen copies of publications subject to either the local delivery rate or the minimum rate, which ever is applicable and to extend to certain cultural and technical publications the privileges now granted to newspapers and periodicals devoted to religion, the sciences or agriculture.

Mr. Scott: Mr. Chairman, when the committee rose at five o'clock I had been dealing with the submission made to us by the minister, in which he purported to justify the increase in the mail rates. I looked over his statements during the dinner hour and, comparing them with the information contained in the Glassco commission report, I find it very difficult to reconcile his statements with the information and recommendations given by the royal commission in question.

The minister's main contention is that the department needs more money and the best place to get it is from first class mail. He also made the submission that it was his intention to have each class of mail pay its own way; in effect, be self-sufficient. The minister then outlined some of the deficits that were not included in the estimates. Over the dinner hour I was reviewing the report of the Glassco royal commission as it relates to the post office, because it gives some interesting information concerning these two types of mail. On page 325 there is a table which summarizes the receipts and the disbursements of first class and second class mail. The first class mail shows a surplus of slightly over $35 million.

Mr. Nicholson: Mr. Chairman, interested as we might be in this, I think it would be helpful if the hon. member drew to the attention of the committee that those figures were for 1959.

Mr. Scott: That is right. I am not trying to hide anything of that nature, but the commission itself indicated—

Mr. Douglas: Perhaps if the minister kept quiet and listened for a while, he would find out.

Mr. Scott: These were the most accurate figures at which the commission could arrive after undertaking a very careful method of analysis. If the minister would read it, he would see this is an attempt to be very very fair to his department. If he has other figures for later dates based upon the same statistical detail then let us have them in the house and we will be glad to examine them. I do not want him to impute motives to any member of the house.

Mr. Douglas: Or betray his ignorance.

Mr. Nicholson: No, I was not imputing motives; but I thought it fair to point out that the figures were for 1959.

Mr. Scott: To go on, Mr. Chairman, the figures in question show that first class mail had a surplus of slightly over $35 million, and second class mail showed a deficit of slightly over $23 million. The table on page 326 allocates between these two groups the unseen charges that the minister mentioned this afternoon, amounting to some $31 million. Even after these are allocated, still the first class mail shows a surplus of over $19 million and the deficit on second class mail climbs to $29 million. I really do not understand how the minister can tell us that what he is attempting to do in this legislation is anything other than force the people who use first class mail to dig deeper into their own pockets in order to subsidize second class mail. I would also like to know from the minister why he has ignored the recommendation of the Glassco commission in this regard, why he is throwing this recommendation out the window, because it says quite clearly:

—the imposition of an obligation to subsidize second class mail from its own pocket—

That is referring to subsidizing second class mail from first class mail:

—seems undesirable.

They make certain recommendations to the minister in this regard; that he should, rather than have this method of subsidization, be frank with the country and vote the mail subsidy in the estimates themselves. We will want some pretty cogent figures from the minister before we will be convinced that this is not the case. The commission came to the conclusion that the deficit in the Post Office Department roughly equated the deficit in second class mail, and I cannot for the life of me understand why we should be asked to pay subsidies to newspapers and periodicals and, more particularly, to the advertisers in those journals, because that in essence is what we are doing.

We have also asked the minister to outline to the committee what steps he intends to take, if any, to deal with the disparity between the large losses suffered on United States mail carried free in Canada and the extent to which this is offset by Canadian mail carried in the United States. I have outlined the tremendous disparity, and although this may not be easy, we feel that explorations along this line are more warranted than digging deeper into the pockets of those who use first class mail.

Finally, Mr. Chairman, we want to know what serious consideration the government is giving to the other recommendations of the Glassco commission in which are outlined very precise steps which it is felt will give a truer financial picture of the operations of the post office and will effect very far ranging economies. It is suggested, I know, by the commission that various government departments should be charged for the services they receive and should charge back for services rendered, rentals and matters of that kind. Until we have this information we do not have before us a correct financial picture of the post office and we simply cannot make an intelligent adjudication upon the proposals submitted by the minister.

Mr. Douglas: We never have had.

Mr. Scott: As the hon. member for Burnaby-Coquitlam says, we never have had this in the history of the post office. I would have thought that action along those lines would have been more becoming in the circumstances. I feel, in conclusion, on the basis of the evidence we have heard today, on the basis of the minister's statement, that no case at all has been made for increasing the rates on first class mail. It is clear, from all the evidence to which we have access, that it not only pays its own way but shows a very substantial profit. The real deficit at the moment occurs in the hand-out given by way of subsidization to second class mail, newspapers and periodicals; and until something is done in this connection we intend to oppose this move. We also want to hear about the United States agreement, and what the minister really intends to do in regard to the recommendations of the Glassco commission. Does he intend to honour them; does he intend to put them into effect, or does he intend to throw them out the window as so many other recommendations have been treated in the past? That is all we want to say at this stage, Mr. Chairman; but until we hear more we intend to oppose this move.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Chairman, as we are considering the resolution to amend the Post Office Act, I want to mention that our Canadian postal system is recognized as

one of the best and most efficient in the world, thanks of course to our postal employees who are qualified and to all this devoted staff looking after the delivery of mail throughout Canada and attending every day to the distribution of correspondence so that all Canadians may have the best possible service.

I take this opportunity to pay special tribute to one and all.

I see in this resolution that it is intended to abolish the local delivery rate, which would amount to a disguised tax increase.

Of course, I appreciate the requirements of the postal administration because, like all other fields, it is affected by the treacherous inflation resulting from a financial system which is basically wrong.

Fortunately, we have some hope for the future, because after counting all those who favour monetary reform, I arrive at almost 25 per cent of the members of this house.

It is obvious that the post office is not a profit organization; but I realize how difficult it is to get fair treatment in that service. I know that personally, because I was a postal employee after my studies and I know that, when I left the service, two men were hired to replace me.

I should like to mention the case of the Chicoutimi post office which, for more than three years and a half, has yearly receipts of over $240,000, which means that it qualifies as grade 12. Its turnover this year will probably amount to $300,000 and I think it would be normal to classify it the way it should be.

I avail myself of this opportunity to congratulate the minister who, I believe, is able to understand the problems that exist at the present time in his department, since his administrative genius is acknowledged, and I hope that these small details will be corrected in due time.

May I add that I am happy to hear that post offices will be built in my constituency, namely at Laterrière, St. Honoré, St. Ignace and in a few other places. I hope that those projects will materialize as soon as possible.

In conclusion, I would like to point out to the Postmaster General the case of Port Alfred which I submitted to him recently. This town has been asking for home delivery for more than 15 years. I have set forth a fair solution which I think should win his approval.

That was all I had to say on this matter, Mr. Chairman, because I feel that we should take every means to enable the Canadian postal service to operate efficiently and give the best service possible.

Mr. Gauthier: Mr. Chairman, allow me first to congratulate the new Postmaster General. I wholeheartedly hope that we will not have again to deplore the irregularities which we witnessed under his predecessor.

Mr. Chairman, I wonder if, in future, the minister intends to give some consideration to the elected members and to inform them of any action taken by the Post Office Department in their respecting ridings.

The Chairman: Order. I regret to interrupt the hon. member but, as he is aware, the hon. members must limit their remarks as much as possible to the matter under discussion. Since we are now dealing with a resolution concerning certain amendments to the Post Office Act and the transportation of mail, I suggest the hon. member should confine himself to that matter.

Mr. Gauthier: Thank you very much, Mr. Chairman, you are very kind. But I was just following in the footsteps of some of my fellow members whom you tolerated so patiently.

I am now coming back to the subject matter. I simply wanted to convey to the minister some ideas we wished to express, and blaze the trail for the future administration of the department, because, when a resolution with regard to the post office is presented to the house, we necessarily must deal to a certain extent with the postal service.

Before going straight to the core of the matter, I hope I may ask the minister a second question. Will he maintain the partisan custom in his department of consulting people entirely outside politics?

We have now received the departmental report, and I wanted to congratulate the minister tonight for issuing it. Yet, I somehow feel ill at ease commending him, more particularly when he says:

> That it is expedient to amend the Post Office Act to abolish the local delivery rates for first class mail and for all newspapers and periodicals other than those published more frequently than weekly—

Mr. Chairman, I want to tell the house that the suggested amendment, and more particularly the last words I quoted, affect us, and especially our small local publications to a great extent.

To my mind, this motion is nothing but a new tax on local delivery in Canada. It is not just any tax, but a specific imposition on private business. This is another case of the small local business being the whipping boy for the large corporation. The small man will again pay for some nonsense or some extravagant expenses the minister or the post office officials will incur.

Mr. Chairman, it is rather strange that, as soon as a deficit is foreseen in some department, it is immediately compensated by a

new tax. Not the slightest effort is made to scrutinize the budget to see whether something could be adjusted in the estimates. None at all. Instead of making an effort in that direction, as soon as a deficit is foreseen, the imposition of a tax is immediately suggested. Always the same scapegoat.

The small man is always the one who pays in the end. When I find that the annual report shows a surplus of $3,486,449.02, I wonder why a new increase in postal rates is being proposed, after a surplus has been made public. As a matter of fact, I think that this attitude is even less understandable than the tax itself.

I must point out to the house that such action is unfair, and that if this resolution is passed tonight, it will simply be discriminatory toward the first class mail, as well as toward all our local publications.

Once more, we forgot, maybe intentionally, the big newspapers, the foreign newspapers which flow into our country and for which Canadian people pay higher and higher taxes.

I am taking part in the debate this evening merely to mention that anomaly within our administration, and I suggest to the Postmaster General, instead of considering a new tax before going to bed tonight, to go over his budget and determine whether there is no extravagance in the salaries or if there are expenditures which could be eliminated in order to balance his department's budget because, in my opinion, it is the easiest budget to reduce. In fact, the Post Office Department is supposed to be administered, most logically without having the small taxpayer pay higher postal rates.

On the other hand, if the minister has a mania for taxation, let him tax the rich. In short, let him tax those who can pay. Let him tax the owners of newspapers with a large circulation or those who run American magazines. But he should leave alone—and surely once in ten years is not too much—the small local businessman, the small Canadian undertaking which can barely make ends meet in our towns but which is trying to do something for the province of Quebec.

Those, Mr. Chairman, are the few remarks I wanted to bring to the attention of the minister and I hope he will consider them seriously overnight.

Mr. Pigeon: Mr. Chairman, I wish to join with my colleagues who spoke before me to congratulate the Postmaster General on his appointment.

I also want to pay tribute to the employees of the Post Office Department who work hard in the public interest.

I have two suggestions to make to the Postmaster General.

[Mr. Gauthier.]

I suggest that post offices should be closed on Saturday as they are in the Netherlands. It would be logical, in my opinion, if the civil servants had their week end free like the citizens in other social classes.

The Chairman: Order. I am sorry to interrupt the hon. member but his remarks bear such a vague relationship to the subject matter of the resolution that I cannot allow him to carry on.

Mr. Pigeon: Mr. Chairman, I believe this relates somewhat to the resolution, for if the post offices close their doors, the amendments referred to in the resolution will automatically be affected. Also would the minister even amend his resolution along this line, in order to grant a holiday to postal employees on Saturdays, for they surely deserve a normal week end as any other Canadian citizen. In such a case, only the members of parliament would be at their offices on Saturdays, but, as far as they are concerned, they discharge a mandate of public interest.

I do not mean that postal employees are not devoted to the service of the public.

The Chairman: Order. I have listened carefully to the remarks of the hon. member, but he has not yet established in which way they relate to the question before us.

Mr. Pigeon: I thank you, Mr. Chairman.

I believe my second suggestion will relate a little more closely to the question before us.

I am suggesting that the Postmaster General compel the owners of two and three storey houses to co-operate with their tenants in establishing letter boxes on the first floor, so that the postmen may not have to climb the second or third floors as happens at present.

I think it is inhuman to have such a state of affairs. The minister is acting in good faith and he will surely consider the situation with officials of his department.

On the other hand, the Canadian weekly newspapers association is a bit concerned over the resolution. Canadian weeklies can now distribute 2,500 free issues every week through the mail without paying a penny.

You are no doubt aware, Mr. Chairman, of the competition which dailies give to local newspapers across Canada. As a matter of fact, that competition is rather strong. I believe that the weeklies have a role to play in our social life and I wonder why the Post Office Department, according to this resolution, intends to impose a special tax on weeklies mailing over 2,500 copies. I would ask the minister to amend the resolution so as to leave unchanged section 11 of the act,

especially paragraphs (c) and (d) of subsection (2), so that Canadian newspapers may enjoy the same privileges as before.

In conclusion, Mr. Chairman, I urge the minister to reconsider his policy concerning new issues so that a stamp may be issued to commemorate the centennial of the death of Sir Louis Hyppolite Lafontaine who was in a way a forerunner of confederation since, at one time, he presided over the destinies of the two Canadas with Robert Baldwin.

The Chairman: Order.

Mr. Pigeon: To continue—

The Chairman: I should like once again to call the hon. member to order.

Mr. Pigeon: Mr. Chairman, I would be most happy if the minister could tell us what he intends to do about the request submitted by the association of Canadian weekly newspapers and also about the three proposals I made to him. Knowing his devotion and the care he takes to inform the house, I am sure he will give an accurate reply as usual.

Mr. Ricard: Mr. Chairman, I would like to take this opportunity to make a few remarks about the resolution before us.

Like the hon. members who spoke before me, I would like first of all to congratulate the Postmaster General, because the administration of his department being undoubtedly a very important responsibility, to be entrusted with it by his leader, evidently bears testimony to the minister's administrative abilities.

I would also avail myself of the opportunity to express my appreciation and pay tribute to the numerous employees of the Post Office Department who discharge their duties and responsibilities with tact and efficiency.

I would have liked, Mr. Chairman, the present Postmaster General's predecessor to be in the house today, to hear his successor state that the deficit foreseen for the coming year will be around $37 million. As a matter of fact, last year, if we remember rightly, the former postmaster general who is sitting, today, in the other place, which is much more peaceful than ours, was blaming the deficit on the poor administration of the Conservatives who were facing him.

Well, we have at present a Liberal administration which foresees a deficit of about $37 million.

I would also like to point out, Mr. Chairman, that those who will provide the additional revenue that the Postmaster General is looking for will always be the taxpayers. It is said that last November increases yielded some $8 million and that it is not enough. During a period of one year, Mr. Chairman, it is the second time that the Postmaster General comes forward to ask for additional revenue. Last November, there were quite large increases in some cases. For instance, registered letters rate varied from 35 to 60 cents; letters by postal delivery went up from 10 to 25 cents, that is an increase of over 15 cents; postal parcel rate went up from to 20 to 35 cents, while money orders went up from 20 to 25 cents. Since April 1, 1964, there was another substantial increase for what is called commercially c.o.d.'s. We must also recall, Mr. Chairman, that to send our wishes next December, we will have to pay 50 per cent more than last year.

Added to increases provided for now, it will be an amount of $37 million, according to the Postmaster General's figures, that the taxpayers will have to pay over what they used to.

May we point out that according to the minister himself, it is mostly commercial and industrial businesses which will have to carry the load of that new increase. It is hard to understand, Mr. Chairman, that in one office, the distribution of first class mail should be increased.

In view of all the boasting about their own talent as administrators we heard from those people now occupying the treasury benches, something on which they all agreed when they were in opposition, it would seem to me that the Postmaster General himself is also heading quite the wrong way in taking steps which will certainly result in an even higher cost of living.

I have no intention whatever, at this time, of indulging in a speech on this matter, but I cannot refrain from pointing out to the house that what the Postmaster General is now asking us to do will surely entail an increase in the cost of living.

I suggest that the Postmaster General should look for other means of getting the money he needs without adding to the burden of the taxpayer in general by an increase in postal rates as steep as the one he is contemplating, especially in view of the fact that it is the second one in less than a year.

Mr. Chairman, that is what I wanted to say. I am convinced that the businessmen and industrialists in my riding would not have been pleased had I let this increase in postal rates go through without telling the house that they oppose it.

[*Text*]

Mr. Webb: Mr. Chairman, before this debate commenced I had hoped to receive a statement from the minister with regard to a question I asked him some time ago as

a result of the increased cost of sending newspapers to husbands and sons serving overseas with Canadian forces. I am certain that the introduction of this measure by the Postmaster General is to increase the revenue of the Post Office Department, yet the total cost of this increase will be borne by Canadians and is a hardship upon the people of Canada.

With regard to these proposed increases in rates I should like to point out that the profits of the Canadian editions of *Time* and *Reader's Digest* for the year 1959 were revealed by the royal commission on publications to be $937,000 in the case of *Time* and $1,158,000 in the case of *Reader's Digest*. No Canadian periodical makes such profits. The unfair part of it is that the postal subsidy given to these papers, according to post office figures, show that there is a loss to the Post Office Department each year on account of handling the distribution of *Time* of about $600,000, and between $600,000 and $900,000 in the case of *Reader's Digest*, depending on the method of calculation. The inequity of this is that *Reader's Digest*, a United States publication, pays a rate of one and three quarter cents a pound. *Star Weekly*, a Canadian publication, pays three cents a pound compared with this one and three quarter cents for a United States publication. Our Canadian newspapers pay more than three cents a pound. I hope that during the course of this debate or when the Postmaster General answers questions he will give the committee an explanation of his reasons for this action.

Mr. Fisher: Mr. Chairman, some of us had the pleasure of watching the Minister of of Justice last night on "The Nation's Business" when he was interviewed by or had a chat with the hon. member for Northumberland. He introduced an argument at that time which it seemed to me the Post Office Department and the Postmaster General might have considered before bringing this legislation in front of us.

The Minister of Justice painted the picture in these words: Yes, of course, the provinces are going to get, not 17 per cent but right up to 24 per cent under a certain formula, but we will not get less. It is going to be a bigger pot; there is going to be growth. We are not going to get less. He did not make any mention of the fact, which I suppose the Postmaster General will, that costs are going up, wages are going up, expenditures are going up. All we got from the Minister of Justice in connection with the new tax agreement was how wonderful it is. Everybody gets more and nobody gets less.

An hon. Member: Pie in the sky.

[Mr. Webb.]

Mr. Fisher: It was real pie in the sky. I should like to know why the Postmaster General did not give us some of this pie in the sky. The fact is he has given us a different kind of pie and it is quite an argument he has brought forward. If I may refer to a local setting, the cities of Port Arthur and Fort William are adjacent to each other and they were very proud last year, the chamber of commerce in particular and with some reason, that they had managed to get the local delivery rate between two cities. The post office authorities, the postmaster general at that time and everybody else were very pleased about it. Everybody was estimating how many thousands of dollars local businessmen were going to save because of this action. Everybody was saying: This is justice which should have been extended to us long ago because we were obviously paying too much for postage.

What comes along a few months later, with this magnificent, competent government that always does things so well? They have got the genius for administration, you know. Port Arthur and Fort William lose their little percentage of benefit, but it is all in the name of putting the books in better shape. The department is going to have things look better.

I received a letter a couple of years ago from the postmaster general at that time, William Hamilton, and I want to put it on the record because the minister has said nothing in his introductory statement to indicate that this situation does not exist. The situation that is portrayed by Mr. Hamilton is the real problem here. The minister will not come out and really say it is. Instead he is going to get money from first class mail that he should be getting from some other kind of mail. Mr. Hamilton's letter reads as follows:

Dear Mr. Fisher:

During the discussion of my estimates in the House of Commons you asked me for certain information breaking down, as between Canadian and United States publications and as between newspapers and other periodicals, some earlier information I had supplied covering revenues and costs in this field.

In this letter I will try to do so but I must immediately caution you against assuming any particular accuracy for these figures.

I take it he meant that he was giving accurate dollars and cents figures, and his point is that generally they are accurate but not in particular.

I should also point out that we have no breakdown whatsoever as between newspapers and periodicals such as magazines; for our purposes these are all second class mail and no analysis we have ever made has attempted to make a division between the two.

Regarding my caution on the accuracy of the figures, I think this is understandable. Millions of pieces of mail are handled every day and

any assessment of volume, class and so on can only be on a sampling basis. Furthermore, since the job is so big and tends to interrupt the normal flow of the mail we make our studies only at fairly lengthy intervals; the detailed cost ascertainment study, for example, is done only every three years.

Finally, the further one attempts to break down cost figures and obtain details, the more uncertain those details become. For example, I am inclined to think that our total allocation of costs as between various classes of mail and our over-all estimate of the volume in each class is reasonably accurate; when one begins to break down a particular class into further groups, it becomes less accurate for a number of reasons.

You will remember also the running battle which has existed in the United States for some time over the basic question of how costs should be allocated as between various categories of mail and this has applicability to our Canadian costing systems as well since costs accountants will always argue over the basis on which overhead has been applied to various categories and what are direct and what are indirect costs.

Within this framework, you will remember that our cost ascertainment statements for the fiscal year 1958-59 show the following figures relative to second class mail:

Second Class Matter	
Volume (originating)	531,148,886 pieces
Receipts	$ 6,189,125
Disbursements	27,879,068
Disbursements over receipts	$21,689,943

I gather that the figure for disbursements over receipts is now up to $26 million so far as these particular categories are concerned.

Based on surveys which were made in 1955 and 1956, we estimate that the Canada post office handles about 120 million pieces annually of publications mailed in the United States and having the postage paid there, and about 40 million United States publications which are mailed in Canada and have the postage thereon paid to the Canadian post office. Our estimate of the receipts from the latter is $900,000.

Our cost calculations have always been based on the principle that they disregard mail matter originating and paid outside Canada and subsequently handled by the Canadian post office for delivery in this country. This principle is based on the fact that most letters generate a reply and that therefore there will be an equal volume of this kind of mail into and out of the country. Thus, while it produces a lower figure for the actual volume handled than would be the case if mail originating outside Canada was also included in the volume figures, and therefore a higher cost per piece figure when the volume is divided into the total operating costs for a particular class of mail, there is an approximately equivalent benefit to the Canadian post office by the fact that about the same volume of mail is sent out of Canada and handled at no delivery cost to us by other countries.

These principles are universally accepted by postal organizations and are, indeed, the basis on which it has been possible to organize such a smooth flow of mails between most countries in the world without any one country demanding payment for the work it does for another country in so far as first class mail is concerned.

While we have applied the same principle to all the classes of mail, in the case of periodical publications it must certainly be admitted that a far greater flow comes to Canada from the United States than goes to the United States from Canada and if we are going to take into account, as you would wish to do, the United States publications mailed and paid for in the United States this will require a downward revision in the cost per piece which was quoted in the cost ascertainment figures tabled in the House of Commons. You will remember that the cost per piece over-all was there shown as 5.249 cents; to apply the total costs of $27,879,000 over all publications handled by the Canadian post office—including those mailed in the United States—the cost per piece will have to be reduced to 4.299 cents.

Once one is in possession of the foregoing information it is possible to estimate the figures you require, but to save you the trouble—

Mr. Hamilton was a very agreeable minister.

—I am going to set them out below:

Canadian publications mailed and postage paid in Canada	$21,114,698
U.S.A. publications mailed and postage paid in Canada	1,719,800
U.S.A. publications mailed and postage paid in U.S.A.	5,044,570
Disbursements	$27,879,068

The best breakdown we can establish of the receipts figure of $6,189,125 given on page 2 is as under:

Canadian publications mailed and postage paid in Canada	$ 5,289,125
U.S.A. publications mailed and postage paid in Canada	900,000
Receipts	$ 6,189,125

The best breakdown we can establish of the disbursements over receipts of $21,689,943 given on page 2 is as under:

Canadian publications mailed and postage paid in Canada	$15,825,573
U.S.A. publications mailed and postage paid in Canada	819,800
U.S.A. publications mailed and postage paid in U.S.A.	5,044,570
Disbursements over receipts	$21,689,943

The date of this letter is July 27, 1960. Mr. Hamilton went on to say that he hoped this was the basic information I wanted. I remember that at that time the hon. member for York Humber, who had not yet joined us as a parliamentary colleague, was also interested in this question. I was hoping he would see fit to come forward at this time to give us the views that he used to present to the various members of parliament around the corridors of power, as they have been described, when he was in his previous function.

Mr. Cowan: I have not changed my mind.

Mr. Fisher: The hon. member says he has not changed his mind. I am glad to know that because if he has not changed his mind he must be very worried over the fact that the reason we have this resolution before us, the reason we are going to have a bill, is that the Post Office Department and the government have not been able to come up with

an answer to this tremendous loss, this tremendously exaggerated disbursement cost, not in the area of first class mail.

I would like to suggest that if you want an emotional or qualitative difference between first class mail and the distribution of periodicals and publications of various kinds that come under other categories, there is a natural division to make. It is a division all of us make in our minds in connection with mail services, the difference between first class mail treatment and the mailing treatment of other kinds of periodicals.

I am not downgrading the other portions of the work the department does, but I would like to put it to the minister that first class mail in this country really means something. There have been complaints at various times about the service, but in the main the Postmaster General can be proud of it. But I do not see how he can be proud about coming in here and whacking people in this country by putting up the cost of the first class mail, when the first class mail is not losing money.

Why do the minister and the government not come up with some kind of solution where the problem really lies. In order to do this the minister has to come in and tell us something about the government's policy on periodicals and publications. His predecessors did try to take some steps a couple of years ago to make some adjustments, to get more of the United States periodicals mailed in Canada, which had some effect but were not effective enough. It is also quite apparent that many newspapers and periodicals have rates that do not come anywhere near meeting the costs.

I believe the hon. member who spoke just before me made the point, in connection with the estimates, regarding the subsidy the Post Office Department is giving *Reader's Digest* and *Time* magazines. The figure runs, as it has been given to us, at somewhere between $600,000 and $900,000 a year. I think each member of the house who has been around his office has encountered the lobbyists, and it is no disgrace to name them and say that this estimate has been prepared by the Montreal *Star*, the *Family Herald*, the Toronto *Star*, and the Toronto *Star Weekly*. These are the people who are trying to find the heart and capture the soul of the Liberal backbenchers, to see if they can do something about the government's position on periodicals.

That estimate may not seem much, but when you take the two of them it gives you a figure of over $1 million, and in effect it is a subsidy. This is one of the reasons why the people of Canada will have to add that extra cent when mailing their letters to their loved ones, or whenever mailing business letters. In other words, we are going to have the wonderful chance of helping to disseminate *Time* and *Reader's Digest* around this country. That may appeal to some, but personally I am against it and my colleagues are against it.

If the minister cannot come up with better proposals than this to meet what is a relatively minor deficit in terms of the kind of services the department provides, I think we should vote against them. When I say it is a minor deficit, I mean in terms of the department's total revenues and expenditures; but there is, as I tried to point out earlier, a very substantial deficit between the cost and the income that come from a certain kind of mail. I have tried to point out where losses are really coming from, and I think it is rather disgraceful for the minister, representing this government which is so full of administrative genius, to come in and tell us he is going to put an extra cent on something that is already paying its way.

[*Translation*]

Mr. Paul: Mr. Chairman, I thank my hon. friends opposite for their cheers, undoubtedly hoping that I will throw bouquets at them. Let them not delude themselves, but since it is my duty to congratulate the new Postmaster General for the high office to which he was just appointed to and which he will undoubtedly discharge just as well as his predecessor, it is with pleasure that I offer him my congratulations.

I would not want to forget to congratulate also the efficient staff of the Post Office Department and all those who do their share to make our Canadian post office system one of the best in the world.

What puzzles me, Mr. Chairman, is the silence which paralyses our friends opposite. After all, not one of them rose to his feet to protest against an increase of $38 million in new taxes. And knowing the objectivity of the members of the press gallery, I am sure that tomorrow we will see in all the newspapers across the country the following headline: "$38 million increase in federal taxes." Then, the population will be adequately informed about that new tax the government is attempting to impose tonight through the Postmaster General.

It is somewhat like the sales tax on building materials. It is done by stages. First of all, an increase was imposed starting November 1, 1963: the point was to find $1,800,000 in round figures; then, an increase on certain postal matters starting April 1, 1964 which will yield for the department receipts amounting to some $6 million and, today, we are presented with the grand finale which looks rather like a cap. It caps it all.

In any case, the increase has reached $30 million. And our friends opposite are glad and they cheer when a member of this house, conscious of his duty and his responsibilities, rises to question the efficiency of the Post Office Department.

This afternoon, the minister tried by every means to have the house believe that this administrative measure was absolutely necessary. It is no doubt to celebrate the election of the Minister of Justice (Mr. Favreau) as leader of the Quebec members that we are offered this $30 million in new taxes. And to top it all, Mr. Chairman, the Liberals give this measure a rousing welcome.

They will certainly refrain, during the next election campaign in their respective constituency, from telling how much partisanship they have shown in this house this evening, to the prejudice of the Canadian people. A new tax is levied and once again we see them, dumb as a fish, show their political solidarity, to the detriment of national interests and Canadian citizens.

This afternoon the Postmaster General was the errand boy of the cabinet. He is a new minister, and probably has little experience in administration, and they take advantage of the situation by making him bear the deficit of certain other departments. When the Postmaster General announced this rate increase this afternoon, he referred to page 351 of the estimates for the year ending on March 31, 1965. He told us that the approximate value of important services not included in the departmental estimates imposed administrative costs of some $36 million to the Post Office Department. However, if we consider with objectivity the expenditures and revenues of the department, we find an administrative surplus of $3 million. I do not think that this department is one whose ostensible purpose is to fill the coffers of the treasury, but that is what we are led to believe by this legislation.

The minister told us also that the Post Office Department benefited from administrative expenses made by the Department of Public Works, owing to the fact that the latter spends approximately $25,298,000 to provide postal accommodation. To that effect, I therefore ask the minister the following question. Is his department, the only one to get free accommodation from the Department of Public Works? Do the departments of labour, justice and many others not get the same advantages? Then why give that reason which in itself, does not only apply to the Post Office Department, but which is a matter of administration for all the federal departments.

Another reason given by the minister is:

Accounting and cheque issuing branch (treasury comptroller).

Can the Postmaster General tell us whether he benefits from a preferential treatment from the treasury?

Contributions to superannuation account (Department of Finance).

Is not the Minister of Finance in charge of superannuation for all civil service employees in any department?

Employee surgical-medical insurance premiums (Department of Finance).

Does not the Minister of Finance assume this same obligation on the part of all other departments of the federal government?

Employee compensation payments (Department of Labour).

Is the Post Office Department the only one to take advantage of surgical-medical insurance?

Carrying of franking mail (Post Office Department).

In order to have a better balanced budget, would it not have been better if the Postmaster General had charged mail transportation cost to other departments rather than granting them franking privileges?

I feel, Mr. Chairman, that the reasons given by the Postmaster General are not serious and that by acting in this way he becomes the mouthpiece for the financial requirements of the government. Under the guise of such administrative expenses charged to the budget of the Post Office Department they want to recoup from Canadian citizens a sum of $38 million.

Should we pass this measure without a word, as our Liberal friends would like us to do, we may be sure that other departments will put forward the same administrative reasons that have been advocated by the Postmaster General this afternoon. Then, we shall have to put up with other increases; that is what stamps this government anyway.

An excellent tax was imposed on us during this parliament's first session and still another one is being imposed today, namely one of $36 million which will result in increasing the already too high cost of living in Canada, without mentioning the fact that the mail service—

[*Text*]

Mr. Nicholson: Mr. Chairman, I am sorry to interrupt the hon. member, but where does he get that figure of $38 million? He has used it several times. It was $8 million, not $38 million.

Mr. Paul: Perhaps I made a mistake but I was sure the minister this afternoon spoke about $36 million. Perhaps I made a mistake of $2 million. But for the Liberal party, $2 million is peanuts.

[*Translation*]

Mr. Chairman, I was saying that an increase in the cost of the mail transportation would raise the cost of living.

On the other hand, if the minister had stated that this increase would improve the postal service, give the Canadian people twice-a-day mail delivery in the cities, as claimed by his predecessor and Liberal members when they were in opposition, or if he had said: "Yes, there is an increase, but the Canadian people will benefit by it", we might have agreed with him. But no, that does not enter into the picture at all and that is why I believe we should know what the members on the other side are thinking.

Gentlemen, do you accept that increase in rate or do you disapprove of it? If you are against it, stand up, exert pressure on the Postmaster General, and on the man you chose last Saturday in Montreal, to change the disastrous measure that the Postmaster General wants us to swallow.

It is not by putting forward false reasons like the one mentioned by the Postmaster General—reasons which are not particular to his department but seem to exist in all departments—that the government will get us to agree to that resolution.

Mr. Chairman, I think that the government is urgently in need of money and that it will collect that tax to the detriment of all Canadian taxpayers. That is why I am anxious to hear the experts, including the hon. member from Drummond-Arthabaska (Mr. Pépin), who is always eager to make high sounding statements on all matters dealing with trade in particular.

He will no doubt tell us his opinion; he will tell us why he approves this tax and whether or not it is in actual fact prejudicial to taxpayers of his riding as well as to taxpayers throughout Canada.

Mr. Chairman, the minister will undoubtedly be able to give us explanations. I hope especially that he will be in a position to show us that the treatment his department receives from the Department of Public Works is preferential treatment, and that the accommodation provided by the Department of Public Works seems to be the reason for the proposed increase. I hope the minister will show us that his department enjoys preferential treatment, which may justify the increase in the postal rate proposed by the minister.

Personally, I do not intend to support this measure, because, once more, it is a tax in disguise, an hypocritical tax. Even if it is introduced in good faith by the Postmaster General, it is an hypocritical tax, disguised, unjustified, and it must be fought, not by the silence of our hon. friends of the other side of the house, but, by participation in the debate, to enlighten the minister about the error he is about to commit by imposing a new tax on the mail delivery in this country.

Mr. Pigeon: Mr. Chairman, the Minister of Justice (Mr. Favreau) is prepared to speak tonight.

Mr. Caouette: Mr. Chairman, I did not intend to take part in the debate but since several hon. members saw fit to do so, even if the bill has yet to be introduced, and in view of the fact that we are only at the resolution stage, I would be remiss if I did not say a few words, first to congratulate the Postmaster General on his appointment and then to say that, after hearing the hon. member who has just sat down, one would be inclined to believe that under the Conservative government taxes did not exist in Canada, that the only party which has imposed taxes in Canada or ever proposed an increase in taxes, like the one we are dealing with now, is the Liberal party.

The hon. member would have us believe, it seems, that the Conservatives never imposed any tax in Canada, never raised taxes, that there never was a million Canadians unemployed. In fact, they seem to be angels since they are in opposition.

Mr. Chairman, this does not mean that we accept the government's proposals especially the increase in the postal rate all over the country, or even the abolition of the local delivery rate for first class mail because, from now on, it is going to be more expensive to send mail first class.

The government proposes also to establish a minimum rate of half a cent per article of mail to each separate address.

Why does the Postmaster General recommend an increase in postal rates for regular mail such as personal letters, etc.? I am told it is because the department is short of money, and the only place where the government can find the money it needs to administer the Post Office Department is in the pockets of millions of Canadian taxpayers.

While he is at it, I wonder why the minister does not do a full job. Half a cent per copy for each separate address is not enough. That will not give the government enough.

The government should have gone all the way and increased postal rates so as to have enough revenues for the department to show a profit. It would have thus given the people a true image of the government's great solicitude when it levies taxes and still more taxes, and even imposes taxes on the taxes, when that is possible. Then, the Canadian people would realize that the old parties have to be replaced by something new on the Canadian political scene.

Mr. Pigeon: Mr. Chairman, the Minister of Justice is ready to speak tonight.

[*Text*]

Mr. Fisher: In my previous remarks I forgot to touch on one aspect of this subject —I was reminded of it by another hon. member—and I wish to draw this to the attention of the Postmaster General. In effect, he is asking us to feel sorry for certain men. He is asking the ordinary individual who uses the services of the post office to come through with some more money. I was reminded in Toronto recently that some of the people who are getting this grant for improving the breed of horseflesh are people who really need it—people like E. P. Taylor. I wonder why the house does not join me in prayer for barefoot boys like Roy Thomson, now Lord Thomson of Fleet. As a matter of fact, he is coming over to Canada soon. Someone said he was swimming because he was so hard up. Anyone ever heard about John McConnell? He has a farm paper, the *Family Herald and Weekly Star*. I think McConnell is in rough shape, if the minister is obliged to come up with something which will force the ordinary fellow using the post to contribute a little bit more, instead of asking him to do so. Then there are people like the Southams. Everybody knows how hard up they are.

The Chairman: Order, please, I do not see that the remarks now being made by the hon. member relate directly and essentially to the resolution now before us. They may relate to the resolution, but I would ask the co-operation of the hon. member to indicate to the Chair how they do.

Mr. Fisher: I thought the chairman was more acute than that. Obviously farm papers and daily newspapers with a circulation of below 10,000, which have a special low rate which does not come close to meeting the cost, are one of the reasons why there is a deficiency in the department, why the minister has brought in this bill. I was just calling the attention of all members to who it was that was being assisted, these poor, hard-up people like Lord Thomson, John McConnell and the Siftons. I think this is worth noting. Someone pointed out that if you raise the price of postage for farm periodicals, it will hit a co-operative newspaper such as the *Western Producer*. I can shed all kinds of crocodile tears for the *Western Producer*. It almost breaks your arm as you throw it into the wastepaper basket, it is so loaded with advertisements. It is obviously in dire poverty.

There is something wrong when the Postmaster General will not face up to situations like this. Here we have newspapers and publishing interests in this country, and it is just laughable to think of them being close to the wall. These are prosperous enterprises. Here we have a man who has gone on, on the strength of a little newspaper with a circulation of below 10,000 that he got nothing out of in northern Ontario in the Timmins and Kirkland Lake region, until he is the greatest purse bearer in the world. What is the Post Office Department doing by this kind of subsidy in a situation such as this? I think the minister should give us some frank answers as to why there has not been more planning to go after revenue in areas such as this, instead of wiping out the local delivery rate and planning to increase the first class mail rate.

The Chairman: Shall the resolution carry?

Some hon. Members: No.

Mr. Peters: Mr. Chairman, if the minister wishes to answer these questions, I will defer to him. I would think, in view of the discussion that has taken place, that if the government takes some action on this resolution now they will not be acting in accordance with the wishes of the people, because I think it is very clear to the postal department and to the house that this resolution, if it indicates correctly the contents of the bill, will not pass this house, and I think rightly so. I believe there is a great deal of sympathy for the Post Office Department. There is a great deal of sympathy because it is something that is so common to everyone and everyone uses its facilities. The average person uses the facilities of the department when he goes down and mails a letter and puts on first class postage. There are great numbers of such people, and they have supported the post office to the extent of creating the only profit the department enjoys.

We know that the post office fits into a different category, and the revenues necessary to operate it must be considered different to those of other departments. We expect that the Post Office Department will be a liability. We expect this because we ask them to do so much in so many fields from which no money flows. In quite a number of other countries the post office has been separated from government; it is no longer a department of government but is established as an independent agency of government. In that case departments of government, things like periodicals, and so on, have to make a profit on their own and have to make their regular contributions. But we are being asked in this resolution, not to equalize the expenses of the post office to provide enough money to cover the costs of its operation, but to pay

a rate of first class postage in this country that will continue to pick up some of the deficit.

I did not follow something that was said in this debate; perhaps it was the translation or my inability to follow the argument. I heard one hon. member from the province of Quebec use the figure of $36 million. Then the minister rose and said, "No, it is not $36 million for the province of Quebec; it will be $8 million". Surely we are not dividing off how much this tax is going to cost each particular province and naming them by provinces and saying, "This is going to be your contribution to the $200 million or $300 million that was arranged in the agreements arrived at recently by the federal government". Surely the post office is not going to be the first of the departments that will come before us with the suggestion that this is the contribution to the $200 million that you have to be prepared to make.

I believe there is not a member of this house who, if he has the opportunity of sitting on this resolution for two or three weeks, will not do so. By that I mean, having the opportunity of going back to his riding after the discussion has taken place in the house and before the advent of this bill. If they did this, hon. members would come back here firmly convinced that the people of Canada do not want *Reader's Digest* or *Time* magazine, and certainly do not want them if it is going to cost them one cent more to mail a letter. I think this is a fact, and I think the minister will find it very difficult to sell that kind of proposition. Arguments have been raised, some of which have not, in my opinion, been ethical, by some of the magazines in question in the lobbying they have done that is not normally undertaken in this sphere of our Canadian parliament. But I believe that, laying aside the promises which the Prime Minister has made to *Reader's Digest* and *Time* and the statements that have been made, the Canadian public are not prepared to subsidize second class mail at the expense of providing additional revenue by reason of first class mail.

The minister has had much experience in the realm of business and I wonder just how he justifies dividing the difference off into departments, and then saying that the one that is making the money today should bear the increased cost, and the one that has a deficit should have the deficit position worsened by not increasing the rate with regard to periodicals. I subscribe to one of the Thomson newspapers and it is a fact that this paper has gone up year after year in subscription rates. They have been in the position, in my opinion, to take care of some additional costs in the mailing of their papers.

[Mr. Peters.]

I am sure this is true of all the other magazines in question, and it is certainly true of many of the technical magazines which the minister mentioned specifically. If you go to the newsstand you will find these have increased substantially in recent years, and they are now in a position where part of the profits they have made could be used for their mailing services.

I do not know whether the minister really wishes to consider this resolution. A resolution, as you know, Mr. Chairman, concerns the putting before parliament of the idea of a bill to come, and ascertaining from the house and its members their wishes and aspirations in terms of the resolution. The practice of this house has been to bring a resolution in because it is demanded by our standing orders, and to have the bill drafted, prepared and all ready to present as soon as the resolution is presented. If the house leader really wishes to consider the mood of the house I think he will give very serious consideration to this resolution and the representations that have been made, because it is my opinion that this is going to be "knock 'em down, drag 'em out" fight and the Canadian people and their representatives in this house are not prepared to allow an increase in the rates on first class mail at this time, for the reasons outlined by hon. members.

Mr. Cardiff: Mr. Chairman, I would first like to congratulate the new Postmaster General on his position. I congratulate him, too, on bringing forward this resolution to try to help the Post Office Department. But I think he was in too close conversation with the Minister of Transport when he drafted the resolution, and to his own detriment, I believe, before he is through. I do not think this is where the trouble is at all. I do not think it is in the increase of mailing rates at all that action is required. If we had some of the money spent in transporting and delivering the mail I think we would be hitting the nail on the head.

I can remember very well a few years ago when the trains were carrying the mail. The trains belonged to Canada, and in order to discontinue some of the feeder lines of the C.N.R. the mail was taken off the trains and carried by truck. I think if hon. members would go back over the books they would find that a great deal of expense has been created right there. You cannot carry mail by truck as cheaply as you can carry it on the train, as long as the train is travelling on the track.

I think this is one place where the department has lost a great deal of money. I have been in this house long enough to remember very well that the revenue of the

Post Office Department was always very high and they helped many other departments of government that were in the red. If they had not taken on such a volume of truck delivery I think the Post Office Department would still be paying their way and would not be in the red, and it would not be necessary to increase the rates on first class mail. There is such a difference in the amount of mail coming in from the United States, out of which we get nothing compared with what we send into the United States, that there again we lose money, although I do not know how that could be corrected. I suppose there is an agreement with regard to that, but something should be done about it. The population in the United States is ten or 11 times that in Canada so we could not be expected to keep up with them; yet we buy far more from the United States than they buy from us. However, that is not a problem for this minister.

I should like the minister to remember back a few years when mail was taken off the trains and trucked all over the countryside, with the result that the railways were deprived of revenue. In some cases lines were discontinued altogether because they did not make enough money. We have a side line in our area through Kincardine to Stratford which they have been trying to discontinue for 20 years, but it is still there. There is one train a day, although there used to be two, but they cannot declare it is not making money because it is. However, I expect that before too many moons have passed that line will be taken out too. Therefore I advise the minister not to pay too much attention to some of his colleagues on the government side of the house when a measure like this is brought before the House of Commons, because I think there are other steps which he can take.

[*Translation*]

Mr. Martineau: I had no intention of taking part in this debate, Mr. Chairman, and if I do, it is simply to give my support to the convincing arguments put forth by my colleagues on this side of the house.

As opposed to what some hon. members have said, I believe that the resolution the Postmaster General—incidentally, I must congratulate him on his recent appointment; he is a businessman and has a great deal of experience—has brought forward suggests that he is inclined to consider the administration of his department, and especially the postal services it provides, as a business enterprise which should show some profits or at least balance its budget each fiscal year.

The postal service does not exist to yield a profit to the Post Office Department. I do not think either that it is logical to state that the postal service must pay its way, that is the Post Office Department must derive a sufficient income to meet its expenses in order to provide their service.

It is a vital service for the country, and its costs should be borne not by an increase in rates, which according to everyone, are sufficiently high, but on the contrary, out of the general revenue levied through the Department of Finance.

I think that on such an occasion, the Postmaster General should turn towards his colleague the Minister of Finance. He also is a businessman with a wide experience. Before being named Minister of Finance, he often held forth on the necessity of balancing the budget. Since he is Minister of Finance, he manages to submit the largest budgetary deficits since the war. He realizes therefore that the administration of the country costs much more than he thought and too much to enable him to balance the revenues with the expenditures.

But the main concern of the Postmaster General should be to provide the Canadian people with the essential postal services called for by everyone, without considering an increase in postal rates which are already too high. With the introduction of this resolution, he is just imposing a new tax by a devious, indirect means.

I respectfully submit that this is one of the most odious types of tax and that the burden of such a tax will fall precisely on the Canadian people, the modest taxpayer, the owner of a small newspaper—and when I talk of a small newspaper I am speaking in general of course and I am not referring to the *Petit Journal*—in short, about the owners of all those publications which can hardly afford such an increase in their general budget.

I hope that after hearing the serious objections raised by all the members from this side of the house, the minister will reconsider the resolution he introduced in the house and that he will withdraw it in the interests precisely of a good administration which must ensure, at all times, an adequate service at prevailing rates.

Should the minister definitely wish to effect economies, all he has to do is to read over again the Glassco commission's report, where he will find many suggestions in regard to the way of doing it.

Mr. Pigeon: Mr. Chairman, I should like to ask just one question to find out whether the Liberal lieutenant for the province of Quebec, the Minister of Justice (Mr. Favreau), intends to speak his mind as to this $36 million tax increase which will have to be borne by the Canadian people; if he refuses,

then we will put the question to the former Liberal lieutenant for the province of Quebec, who has now been reduced to the ranks, namely the Secretary of State (Mr. Lamontagne).

[*Text*]

The Deputy Chairman: Shall the resolution carry?

Mr. Howard: Mr. Chairman, in attempting to put the question to members of this committee you phrased it as follows: "Shall the resolution carry?" I do not think it should carry now. I do not think it should ever carry because it is, as other hon. members have pointed out, merely an attempt to gouge one portion of the population of Canada in order to protect another portion. In keeping with the historical actions or attitude of the Liberal party whenever it has been the government of this country and has dealt with postal rates, that process of gouging and protecting has been in keeping with their tradition, namely the protection of their friends at the expense of the general population.

Earlier today, in an exchange between the Leader of the Opposition and the Prime Minister, occasioned initially by an off-the-cuff comment by the Minister of Citizenship and Immigration, there was some reference to a summer recess. The Prime Minister intimated that if the business of the house was not conducted more expeditiously there might not be any summer recess. We realize that one party in this house, namely the largest one numerically which sits in opposition, has done its utmost to obstruct matters to the point of grinding parliament to a halt, without sort of being too open about it; but if the intimation of the Prime Minister is that we have to rush things through or there will not be any summer recess, then I think that at least the members in opposition—we know the government backbenchers, even though many are privately quite critical of the resolution before us, will not say anything openly or publicly because of the rule of rigidity which exists on that side—should be prepared if necessary to grind this parliament to a halt over this particular item now before us.

I say that, because it means precisely what I said earlier, that it is merely an attempt to gouge the average citizen, the fellows in the low income groups, the small businessman and the old age pensioner, who a little while ago got $10 a month increase but who now, if he lives in a large metropolitan area and wishes to write a letter to a friend of his on the other side of the city, has to pay an extra penny each time. It is a disgraceful situation. Maybe it is only a penny. Maybe the Postmaster General, paraphrasing the late C. D. Howe, instead of saying "What's a million?" says "What's a penny?" However, if one were to count up those pennies in the pockets of the old age pensioners, people on fixed incomes or on other types of pensions, he would find it totals many millions of dollars. This is all designed to protect the friends of the government opposite, who protect the government editorially in their various newspapers.

This is a disgraceful state of affairs. Those of us from British Columbia thought that our province had been sort of insulted when the Prime Minister shuffled his cabinet and demoted the present Postmaster General from his prominent position as minister of forestry. We in British Columbia thought that with his background and knowledge of forestry he would have been quite an asset to British Columbia in that position. We thought it was an insult when he was demoted, but perhaps we see the reason why now.

It may not be that members of the opposition are desirous of filibustering or obstructing or delaying this particular measure, and if that is not the general desire then there is not much point in attempting to do so. But from my own point of view in matters such as these, I think that every means possible within the rules of the house should be used to delay the passage of the resolution, to prevent the introduction of the bill and to attempt to defeat the bill. If in the process of delay, obstruction and objection to this very iniquitous resolution the government happens to collapse and we have an election on our hands then, whether or not the people of Canada generally are desirous of having an election, we should blessed well have one, because there is no better issue to go to the country on than an attempt by the government to gouge the little people of this country in order to protect millionaires and others in preferred positions.

I do not have much more to say, except to leave that thought with the committee. Once again I express my own regret and sorrow, and the sorrow and regret of the people at home that such a measure as this is before us at this time. If and when this measure is passed by the house I know there is going to be great wonderment why this phalanx of Liberal backbenchers, the nouveau Liberals with the new ideas, did not stand up and say anything about this matter in parliament. I am not going to mention the names of any individuals. This is certainly not in keeping with common practice or what is correct, but people generally will wonder why some of these people on the backbenches, including the Minister of Fisheries who has, I see, relegated himself to the backbench, did not get up and say something

about this measure. Is it because they are afraid? Is it because they do not mind whispering privately that they wish the government had not brought in this measure, but publicly they do not want to say anything? Where is this emergence of response between the grass and the brass?

An hon. Member: Jealousy.

Mr. Howard: Jealousy? I would never in my life be jealous of anyone holding any position within the Liberal party. In particular I would not be jealous of the position held by my hon. friend who is pounding his desk in glee. Perhaps he is one of those who secretly really does not like the resolution before us, but does not want to get up and say anything.

Mr. Moreau: On a question of privilege, Mr. Chairman, is the hon. member addressing his remarks to the Chair or to me in particular?

An hon. Member: A brilliant interruption.

Mr. Douglas: Made in a public place, too.

Mr. Howard: The hon. member obviously was not serious about that interjection, Mr. Chairman, which was not in the least a question of privilege. Hon. members can laugh and chortle if they like. What is serious is the whole attitude of the government toward the general public of Canada.

When the election took place last year and there was a change from a Tory to a Liberal government the expectation in the minds of many people in Canada was that there was going to be a change in attitude, that there were going to be new ideas and concepts and the people of Canada would realize that finally they had elected a government that was going to pay attention to their individual needs, and was going to protect them. But obviously this is not the case. Oh, fine words come forth by way of press releases from the Prime Minister's office, from the Minister of Justice's office and everybody else's office about what they would like to see; but the proof of the pudding is in the eating. This, coupled with all the other things that have taken place, is proof that the Canadian people were hoodwinked and flummoxed the last time they went to the polls if they expected to get anything worth while from the election of a Liberal government.

I might as well point out in a rather direct way what I am attempting to do, and that is to retain my position until ten o'clock because I do not think this resolution should pass.

Mr. Fisher: You would concede to a Liberal backbencher.

Mr. Howard: I would gladly sit down if a Liberal backbencher would care to get up and express his own opinion.

Mr. Pigeon: The Minister of Fisheries.

Mr. Howard: If the Postmaster General is ready to make any sort of sensible reply or, better still, if he is willing to withdraw this resolution I will gladly sit down. Good heavens, in the last few months this government has shown that apparently its sole desire is to introduce things and then withdraw them, or revise, alter and change them when the least criticism of them is offered. How about doing that with this measure? How about it, Mr. Minister? Tell the house publicly what your backbenchers are saying in caucus about how much they object to this measure. How about telling us that? If the minister wants to stand up and say anything at all about this resolution I will gladly sit down.

An hon. Member: What does your leader say about you in caucus?

Mr. Scott: He is a nice fellow.

Mr. Howard: These figures have been put on the record so often that perhaps some people will think they are merely put there for purposes of repetition, but they need repeating. We find that on first class mail, which is four cents or five cents postage—although if this measure passes it will all be five cents,—the profit has been 1.827 cents per piece of mail handled. As a matter of policy I do not particularly believe that we should consider a service such as the Post Office Department supplies in terms of profit and loss. However, in the case of periodicals and other such publications we find that the loss is a substantial one.

As my colleague, the hon. member for Port Arthur said earlier, this measure is merely an attempt to make old age pensioners and other such people subsidize the Thomsons, the Sifton-Bell interests and people such as that, so they can continue to flood the mails with their material. Mr. Minister, won't you please withdraw this measure?

Mr. Scott: Don't plead: Demand.

Mr. Howard: The minister sits there. Did he say yes?

An hon. Member: Certainly not.

Mr. Howard: I would be very happy to hear the minister say that he would be willing to withdraw this resolution, but as such is not the case perhaps we might call it ten o'colck and wait until tomorrow.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Smallwood: Is the order of business the same as announced last night?

Mr. Favreau: Last night I stated the order of business from now until next Tuesday. Tomorrow, of course, we will deal with the estimates of the Department of Public Works and on Monday we will have a supply motion.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

Mr. Deputy Speaker: In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore the question is that this house do now adjourn. The hon. member for Lapointe.

LABOUR CONDITIONS—REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to mention the fact that a few weeks ago we suggested to the Minister of Labour (Mr. MacEachen) that the winter works program should be prolonged in designated areas. The Minister of Labour did not say yes or no. He said he would take the matter into consideration. We do not often see a minister ready to take a matter into consideration and to study a suggestion made by a member of the opposition. For that reason I would like to congratulate the Minister of Labour because he agreed to study that suggestion we made, and he did so, but in the end we received the answer that there would be no continuation of the winter works after April 30.

[*Translation*]

Mr. Speaker, since the Minister of Labour has agreed to take the matter into consideration and to report to us, I would like to know what has taken place in his mind and in the minds of his officials between the minute he agreed to take our suggestion into consideration and the minute he answered no.

What were the arguments in favour of the extension of the winter works program in the month of May and what were the reasons against such an extension after April 30 in designated areas?

As far as I am concerned, Mr. Speaker, I have come to the following conclusion. According to the estimates tabled recently, that would not have cost the government one cent more. Most designated areas have a harsher winter than others. Applications for various winter works to keep the unemployed busy have been submitted by those areas in November, December, January and February. What is happening today, or rather what is going to happen tomorrow is that just because the work could not be completed in those designated areas on account of the severity of the climate, projects will come to a stop even though they have been approved by both the federal and provincial governments and the necessary funds have been allocated.

When one knows that in the ridings of Roberval, Lapointe, Villeneuve and others there are still today six, eight, 12 inches, even two feet of snow, that permission was asked to carry out various projects, for instance, instal sewage systems, dig trenches or pour cement for sidewalks, and that in some municipalities, such projects, even if they were approved—the hon. members for Timmins (Mr. Martin) and Timiskaming (Mr. Peters) tell me that the same conditions prevail in their ridings, as well as in a Liberal riding of the Gaspe peninsula—have to come to a stop, one wonders why. Those projects had been proposed by the federal and provincial governments; they had been approved, funds had been allocated, but they are stopped before completion because weather conditions make it impossible to keep them going.

However, those amounts were provided for in government expenditures.

And those designated areas get the same treatment as other regions, like southern Ontario, British Columbia, or southern Alberta, which are very much privileged because even in February, March or April, digging, street repairs and sidewalks projects can be carried out.

I contend, Mr. Speaker, that there is discrimination against some regions in Canada, because the regions favoured by a better climate can take full advantage of that winter works legislation, while others less privileged in regard to the climate, can take advantage of it only to the extent of 40 to 50 per cent.

So, let the Minister of Labour try and give us an explanation on that score. I am sure that he could not do it because the climate is not the same all across Canada and all regions cannot be treated on an equal footing and be enabled to take full advantage of that federal legislation, because too many of those ridings are handicapped by the severity of the weather.

I am not suggesting that the Minister of Labour is responsible for the weather, but I do say that he should be clever enough to see to it that the act is amended so that it will take into consideration the various circumstances which may exist in different regions.

The Minister of Finance was the first one to recognize that the main problem in Canada was that of unemployment and that especially in certain regions, it was a regional problem of unemployment. Besides, did not the Minister of Citizenship and Immigration (Mr. Tremblay) talk about various types of unemployment: regional, cyclical, structural, frictional and other unemployment. But it remains that unemployment is the most important problem, the first problem facing this country, and the Minister of Labour refuses to do his share by extending the winter works period in designated areas, where unemployment is most acute and where it would be most profitable.

There is still one more day, tomorrow. The Minister of Labour can still announce tonight that in designated areas the works already accepted and approved might be continued, but only the works approved in designated areas. By taking such action, he would prove his good faith and would show initiative at a time when this government lacks constructive ideas to fight unemployment.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): I wish to thank the hon. member for Lapointe for his vigorous appeal for an extension in the municipal winter works program to cover the designated areas. I share with him an interest in this problem and in any proposal which may be used effectively to extend employment opportunities in these and in other areas of Canada.

However, one must not forget the original purpose of this program. As originally developed it was intended to provide additional jobs in the period of high seasonal unemployment in the winter months, when seasonal unemployment accounts for 25 per cent of the total number of unemployed. For the past several years the municipal program extended over a period of seven and a half months, and the practice in certain parts of the country has been to begin the work in the fall, reduce it in the winter months when unemployment was really high, and then take it up again in the milder spring months and complete the work. The effect of this was to destroy the purpose of the program which was, as I said, to create jobs in the period of peak unemployment.

This year we reduced the duration of the program from seven and a half months to six months and as a result we have created a much greater amount of employment over fewer months of the year. This has been the best year, ever. More jobs have been created in a shorter period of time and the province with the most definite improvement is the province from which the hon. member comes. So it has been a distinct success.

As far as designated areas are concerned, we have increased the federal payroll contribution from 50 per cent to 60 per cent in those areas so as to assist them more.

Mr. Deputy Speaker: I regret very much that I must interrupt the hon. minister, whose time has expired.

AIR TRANSPORT—INQUIRY AS TO FORMULATION OF NATIONAL POLICY

Mr. D. G. Hahn (Broadview): This afternoon I asked the Minister of Transport if he would tell us what progress he is making in bringing into being a national policy for civil aviation in this country. In the few minutes I have at my disposal I should like to say why I think this is an important question.

The air carriers of this country and the air transport industry generally have been crying in the last few years to have a statement of policy from the government. The aviation press, the reports from the various segments of the aviation industry and the number of visits made to Ottawa are ample testimony of this fact. The previous government attempted when in office to provide competition. It provided unlimited competition in the unscheduled charter section of the business—

Mr. Rhéaume: On a question of privilege,—

Mr. Deputy Speaker: There can be no point of order or question of privilege raised at this time under the terms of the standing order governing this debate.

Mr. Rhéaume: Surely, Mr. Speaker, if the hon. member has said something which constitutes—

Mr. Deputy Speaker: Order. I must ask the hon. member to resume his seat. If we follow this procedure, which is very strict and which has been recommended to the house by the committee on procedure, the hon. member asking the question is allowed seven minutes and the minister has three minutes in which to reply. We cannot allow points of order or questions of privilege. I believe this is the way in which we have operated up till now and I certainly urge hon. members to continue along those lines.

Mr. Rhéaume: With due deference, under standing orders as they now exist I am obliged to raise a question of privilege as soon as I understand that a breach of privilege has occurred—

Mr. Deputy Speaker: Would the hon. member kindly resume his seat? As he has said, a member has to raise a question of privilege at the first opportunity, but since it cannot be done now I presume that the earliest it could be done would be some time tomorrow.

Mr. Nielsen: Do I understand that your ruling is that the amendment, the provisional standing order, does not allow the raising of a question of privilege or a point of order in any circumstances?

Mr. Deputy Speaker: That is so.

Mr. Hahn: I was saying, Mr. Speaker, that the previous government introduced competition to the charter segment of the industry. They also introduced competition to the scheduled carriers across the country. They created competition, but in so doing they created a certain amount of chaos in the industry because they failed at that time to also create a comprehensive policy for air transport in the country. This is something that the industry desperately needs, because it is a highly complex industry comprising several parts all of which are inter-related. I would like to take just a minute to look at some of these parts and some of the problems.

Mr. Starr: Mr. Speaker, may I ask the hon. member a question at this point?

Mr. Hahn: I am sorry; I do not have the time.

Mr. Deputy Speaker: Order. The provisional order under which we operate and have this adjournment debate does not permit any questions by hon. members. Even if the hon. member were to allow a question, I do not think the Chair could allow it.

Mr. Starr: The hon. member will only be expostulating a lot of nonsense if he does not answer a question.

Mr. Hahn: We have heard a lot of nonsense from that side; I think it is time for a few facts from this. The first segment of the industry is the international, trans-oceanic section of scheduled carriers. It is very important in this section that our two national carriers not compete against each other, but they must together compete against the carriers from the rest of the world. They have to sit down together, with one voice, when Canada is negotiating air routes; they have to be in agreement when we are trying to negotiate in ICAO air fares, and so on, that extend internationally.

Mr. Nielsen: Mr. Speaker, on a point of order, I wonder if Your Honour would draw the attention of the house to where it says in the amended standing order that we cannot raise a question of privilege or a point of order in this period.

Mr. Deputy Speaker: I might say, if the hon. member will co-operate with the Chair, that I do not have before me the amended order; but I was a member of the committee, and it was definitely the understanding of the members of the committee that this was the basis on which we were to proceed. The hon. member might allow the Chair the opportunity to look at this matter when the opportunity affords itself.

Mr. Nielsen: I have the order before me, Mr. Speaker, and I can see nowhere—and perhaps the hon. member for Winnipeg North Centre (Mr. Knowles) can assist us in regard to the question I have raised—that a question of privilege or point of order cannot be raised during these proceedings.

Mr. Knowles: Mr. Speaker, I have resisted offering any advice, because anything that is said now detracts from the seven minutes allowed an hon. member. I thought this had been clearly outlined in regard to our procedure at this time. But the words are there:

> There shall be no appeal against any decision made by Mr. Speaker under the provisions of this standing order.

That is in provisional standing order 39A. You have made decisions, Mr. Speaker, and those decisions cannot be appealed.

Mr. Nielsen: Mr. Speaker—

Mr. Deputy Speaker: Order. May I please have order for just a moment. It seems to me the reference that has just been made by the hon. member for Winnipeg North Centre (Mr. Knowles) is quite clear. It is clear to the Chair in any event, and I am sure it is the intention and purport of this provisional standing order that during the brief period of time, seven minutes, allowed to hon. members on both sides of the house to ask questions or make statements during the adjournment debate, and the three minutes allowed to ministers, there can certainly be no question that we should engage in debate or raising points of order or questions of privilege, which would obviously defeat the whole purpose of the provisional standing order.

I might also refer hon. members to Beauchesne's fourth edition, citation 105 at page 96, which says:

> It is the practice in the House of Commons to bring up a question of privilege after prayers, and before the house has taken up the orders of the day. Only in very aggravated cases, requiring the immediate interposition of the house, will any business be suddenly interrupted.

The point was raised by an hon. member a moment ago that he wanted his question of privilege raised at the first opportunity, and I suggested to him—and this is supported by this citation—that the time to raise his question of privilege would be tomorrow, as is suggested in the citation which I have just brought to the attention of the house.

Mr. Nielsen: On a point of order, Mr. Speaker, the rule, quite apart from the interpretation put upon it by the hon. member for Winnipeg North Centre (Mr. Knowles), refers only to appeals from Your Honour's ruling; it says nothing whatsoever about raising points of order, apart from the citation Your Honour has just quoted, during this period. I think hon. members have every right to raise a point of order during any proceedings of the house. If the order was intended to—

Mr. Deputy Speaker: Order. That is, in any event, the well considered and, I believe, objective ruling of the Chair at this time, and I would ask hon. members to abide by this ruling. The seven minutes which had been allowed the hon. member have actually expired. I fail to see anywhere in the provisional standing order any provision whereby we may supplement the time the hon. member has lost by taking questions of privilege, which means that the whole premise of this debate would be defeated every time by hon. members raising points of order, thus depriving an hon. member of the short, brief time set aside for him. Actually the only conclusion I can come to now is that the hon. member's time has expired and I would ask the Minister of Transport to make his statement.

Mr. Nielsen: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order, please. I have given the decision of the Chair. A point of order has been raised and the Chair, after considering the matter, has decided there is no point of order or question of privilege. The standing order clearly says there can be no appeal. Therefore, I suggest to hon. members that as we are operating under a new standing order which is being put to the test from day to day, and in view of what has happened tonight perhaps the matter might be referred to the procedure committee for further consideration.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I rise on a point of order—

Mr. Deputy Speaker: Order. If the hon. member for Lapointe has followed the short debate which has just ended, he will recognize that the ruling of the Chair is to the effect that there can be no point of order on the adjournment debate. So I shall ask him to be kind enough to abide by this ruling of the Chair.

Mr. Grégoire: Mr. Speaker, I merely want to say a word to ask whether your decision is a precedent—

Some hon. Members: Order.

Mr. Grégoire: —under the new standing order because it is not at all in that way that we have understood it.

Mr. Deputy Speaker: Order. The Minister of Transport.

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker—

Mr. Starr: Mr. Speaker, on a point of order, this house has surely not come to the position—

Mr. Pickersgill: Mr. Speaker, I believe I have the floor and I intend to proceed even if the baying across the way—

Mr. Starr: —that a member of this house cannot raise—

Mr. Deputy Speaker: Order, please. I fail to see how the hon. member for Ontario can have the floor at this time. The Chair has recognized the Minister of Transport and I would ask the Minister of Transport to speak now.

Mr. Starr: I am rising on a point of order. I do not think you can—

Mr. Pickersgill: Mr. Speaker—

Mr. MacInnis: On a point of order; the minister's time has also expired.

Mr. Deputy Speaker: Order. Perhaps the obvious solution to this difficulty into which we are now getting is to recognize that the time allotted to the Minister of Transport has now expired.

Mr. Starr: That is right; he cannot speak.

Mr. Deputy Speaker: Therefore I call on the hon. member for Queens.

Mr. Grégoire: Mr. Speaker, that is not what the new regulation means. If an hon. member is not permitted to speak because of the opposition, the new rule does not provide an answer to such a situation.

[*Translation*]

Mr. Speaker, the ordinary rules apply. The Minister of Transport is not to blame if he was prevented from speaking, the opposition is. In that case, he should be given the floor. What has happened tonight is not normal.

Mr. Deputy Speaker: Order. The hon. member for Lapointe is also a member of the special committee on procedure which tried, up to now, to improve the rules of the house. It is possible that the interpretation given to the new standing order tonight is neither exact nor in conformity with the spirit thereof. I

think it is up to the Chair to give a ruling in this matter. I thought it had been agreed during the proceedings of the committee that discussion would never extend beyond 10.30 p.m. What I would suggest, and once again I rely on the co-operation of the hon. member for Lapointe, is that our committee be given the opportunity to review that interpretation in the light of this difficult and complex situation that has developed this evening.

Mr. Grégoire: Mr. Speaker, what I cannot accept is that you allowed the hon. member for Winnipeg North Centre (Mr. Knowles) to express his opinion, while refusing me that privilege, though I was sitting on the same committee.

To my mind, this is discrimination. All hon. members should be treated alike, the hon. member for Winnipeg North Centre as well as myself. I had the right to air my views, as well as the hon. member for Winnipeg North Centre, because I was a member of that committee, and indeed, so were you. The views you expressed a few moments ago did not tally with the section which was passed when the committee discussed the matter. I do not accept your ruling, and would like to know whether you established a precedent or not. I expect a decision thereon.

Mr. Deputy Speaker: Order. I shall not rebuke the hon. member, but I did hear his argument. He might have wanted to expound it more fully, but he has—

Mr. Grégoire: You did not leave me enough time to do so.

Mr. Deputy Speaker: The hon. member submitted the essence of his argument, and I asked for his co-operation, so as to enable the committee, if it served some purpose—and I think it would—to reconsider the provisions of the new temporary standing order.

[*Text*]

Mr. Pickersgill: Mr. Speaker, I wonder whether I might suggest that the hon. member for Queens should not be penalized because of the disgusting conduct of his colleagues.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Order. I do not think there should be any comment about the discussion we have had so far. If it is the unanimous desire of all hon. members that the hon. member for Queens be allowed his full seven minutes to make his presentation, I would certainly be prepared to hear him.

Mr. Starr: May I suggest, Mr. Speaker, that the gratuitous remarks of the Minister of Transport not be included in *Hansard*, because they were gratuitous only and did not add anything to the dignity of this house.

Mr. Nielsen: Mr. Speaker, I am sure we all agree with the minister's suggestion, as long as he agrees that none of the remarks were intentionally disgusting.

Mr. Pickersgill: Mr. Speaker, all I can say to hon. gentlemen opposite is that they ought to remember December 20 a year and a bit more ago.

Mr. Starr: Any contribution the Minister of Transport makes does not add to the dignity of this house at any time.

Mr. Deputy Speaker: Order.

Mr. Pickersgill: I am not even allowed to speak.

Mr. Deputy Speaker: Do I understand we have the unanimous consent of all hon. members to hear the probably somewhat more gentle remarks of the hon. member for Queens?

Mr. Starr: But not from the Minister of Transport.

[*Translation*]

Mr. Grégoire: I agree, provided the Minister of Transport (Mr. Pickersgill) is allowed to make the statement he wished to make a moment ago when he was prevented from doing so by hon. members opposite. I feel that such a solution would be fair to both parties.

[*Text*]

Mr. Deputy Speaker: Obviously things are getting a little more complicated and perhaps a little bit out of hand. We have now reached the time of adjournment. There is a motion before the house for adjournment and the motion is deemed to have been carried. Therefore, it being 10.30 p.m. this house stands adjourned until eleven o'clock tomorrow morning.

Motion agreed to and the house adjourned at 10.30 p.m.

APPENDIX

CYPRUS—REPORT TO UNITED NATIONS BY SECRETARY GENERAL

1. UN peace keeping force in Cyprus, on the date of issuance of this report, will have been operational for about one month, that is to say, for one third of the time foreseen in the security council resln of Mar 4. This initial period has been devoted to the deployment of the force, to intensive efforts to prevent a recurrence of fighting and to contributing to the maintenance and restoration of law and order in accordance with the mandate given to the force by the security council. The commander of the force and his staff, during this period, have had the opportunity to become intimately acquainted with the nature and complexity of their tasks and the situation in Cyprus, and to establish contacts with all the parties concerned on the island. In this period, at least until last week end, there had been a relative improvement in the situation in Cyprus, in the sense that except for some sporadic fighting in the Kyrenia range area no—repeat "no"—major military clash has occured and situations which might lead to such major clashes were being contained. For such developments UN operation in Cyprus may claim no—repeat "no"—small credit. The outbreak on Apr 26 of serious fighting in the area of the Pentadaktylos range (Kyrenia mountains) is, of course, a setback.

2. Ultimate responsibility for a return to normal conditions in Cyprus must, obviously, rest primarily with the authorities and people of Cyprus themselves, since normality can come about only as a result of a determination by the two communities, so many of whose members on both sides are now armed and active as a sort of loosely organized militia, to lay down their arms and seek to live again in peace. The relationship and the tension between the two main groups of the population continue to be a cause for gravest anxiety. Since UN force became operational in Cyprus, there have been a number of isolated incidents of shooting in which innocent civilians have been the victims, incidents which have been utterly senseless and are disturbing in their indication of an attitude of irresponsibility and callousness toward human life on the part of those doing the shooting. UNFICYP received reports of a large number of persons missing before UN operation began, and since then further reports have been received that cases are still occurring of persons missing, whose whereabouts are unknown.

3. UN cannot—repeat "not"—be indifferent to savage acts of this kind and I appeal in strongest terms to all concerned to take immediate steps to bring an end to them.

4. UNFICYP, on its part, has the duty to take all possible steps available to it which might facilitate the resumption of normal life in Cyprus. It must seek always to prevent a recurrence of fighting, while also taking reasonable initiatives designed to lead to a return to conditions in Cyprus under which an ordinary man may move about freely and carry on with his day's work without fear or hindrance. Only slight progress has been made so far toward implementing this third aspect of UNFICYP's mandate. But much careful thought has been given to this aspect of the task and the conclusion has been reached that there are initiatives which can be taken by the operation holding out at least a hope for success, and that these must be undertaken without delay by means of intensive discussion and negotiation with the parties concerned. Toward this end, the mission in Cyprus needs urgently to be strengthened by the addition of a top level political officer, who, on behalf of SecGen, could conduct negotiations for the implementation of the program mentioned in para 10 below and outlined in annex I to this report. This need has been underscored by General Gyani, who for too long now has been carrying, with devotion and distinction, the dual load of commanding the force and conducting negotiations on a variety of essentially non-military matters. Nothing in this sphere, of course, has been done or will be done which would in any way impinge upon the efforts of the mediator to find solutions to the basic problems. I wish to reiterate my full confidence in both General Gyani and Ambassador Tuomioja as mediator. As commander of the force, General Gyani, with great ability and complete impartiality, has sought to make the force effective in the discharge of its mandates from the security council.

5. General Gyani, in pursuance of my instructions and, indeed, in accordance with his own views, has consistently sought to achieve the desired and defined objectives of the force

in Cyprus by peaceful means, that is without resort to armed force, the arms of the force being carried only for clear purposes of self defence. Despite concerted effort by General Gyani and the force, and my own earlier appeals, fighting persists in Cyprus, with lives of Cypriots—Greek and Turk alike—being needlessly and pointlessly sacrificed. I wish here to emphasize my view that UN force was dispatched to Cyprus to try to save lives by preventing a recurrence of fighting. It would be incongruous, even a little insane, for that force to set about killing Cypriots, whether Greek or Turkish, to prevent them from killing each other. Yet, that is exactly the dilemma which is almost confronting General Gyani in Cyprus today.

6. On the other hand, the force cannot—repeat "not"—stand idly by and see an undeclared war deliberately pursued, or see innocent civilians of all ages ruthlessly struck down by snipers' bullets. In view of the security council's objective of ending fighting, the action at St. Hilarion of the past few days is especially serious since it clearly was a planned and organized military effort.

7. Both sides have given to General Gyani their versions of the present fighting situation and their reasons for it. Greek Cypriot authorities assert that the action was urgently necessary because armed Turkish Cypriots occupying positions in the hills of the sector were harassing Greek villages by firing against them, endangering lives of the inhabitants and preventing them from cultivating their fields and grazing their animals; because of the building by the Turkish Cypriots of an air strip at the bottom of the range, and the blocking by them of the Kyrenia road, the only access to Kyrenia. The Turkish Cypriots, on the other hand, justify their holding on to this area militarily because to the south of the range there are three main Turkish villages and in the north one, which, they assert, would be endangered and harassed if Greek Cypriots controlled the range.

8. Moreover, General Gyani had no—repeat "no"—notice or knowledge of the action in advance, and therefore he could take no—repeat "no"—steps to prevent it. He immediately took up this question with the Cypriot authorities, pointing out the implications of a military action of this kind for the future status and effectiveness of UN force in Cyprus. Ever since the fighting began, General Gyani has been exerting every effort to stop the fighting and toward this end has been seeing top officials on both sides. On Apr 28, he received assurances of peaceful intent from both the president and vice president of Cyprus. The two statements in connection with these matters issued by General Gyani in Nicosia on Apr 28 are appended as annex II. As of Apr 29, the fighting has stopped and quiet prevails. There was no—repeat "no"—interposition of UN force in this situation because the fighting broke out unexpectedly and an interposition under heavy fire would be neither feasible nor—repeat "nor"—helpful. The effort of the commander, therefore, has concentrated on bringing an end to the active fighting, which now seems to have been achieved.

9. UN force, in view of its mandate to use its best efforts to prevent a recurrence of war, must do all that it possibly can to stop fighting. It has been seeking to do this by all means short of bullets, and it should be solidly backed in this endeavour by all members of UN. In this it has my fullest support. In this context, I also call attention to para 1 of the security council resln of Mar 4 (U/5575).

10. The force was deployed in Cyprus because govt of Cyprus, the govts of Greece, Turkey and UK, and all of the members of the security council had reached the conclusion that there had been too much fighting, bloodshed and destruction in Cyprus and it should now come to an end. There was no—repeat "no"—assessment of blame for what had happened and none is made now. But there must be an end to fighting and it will surely become necessary to determine responsibility if it continues.

11. It is the parties themselves who alone can remedy the critical situation of Cyprus. The authorities of the govt of Cyprus and the leaders of the Turkish community must, with a high sense of responsibility, act urgently to bring completely to an end the fighting in Cyprus, if that island country is to avoid utter disaster. This can mean only that high officials of the govt and the Turkish Cypriot leaders will voluntarily and immediately renounce recourse to force as the way to solution of the problems of Cyprus. That is the critical and decisive need at this juncture. Because it is so, I feel bound to appeal most strongly to President Makarios and Vice President Kuchuk to announce publicly, without delay, that, in accordance with the letter and spirit of the security council resln of Mar 4, and in view of the operational presence of UN force in Cyprus, there is no—repeat "no"—reason for further fighting in Cyprus and therefore they renounce it, calling upon their respective adherents throughout the island to heed their call. Then, UN force in Cyprus could begin to function effectively, for it could underwrite security for all, for both Turk and Greek Cypriot, and help to restore normal conditions of life for all Cypriots.

12. The mere presence of UN peace keeping force in the island and its day to day efforts at the military level to prevent or stop armed clashes and to help in the maintenance of law and order are not—repeat "not"—alone enough to effect the kind of improvement in the over-all situation which can really bring about a basic relaxation of tension and a fundamental betterment of deplorable conditions of fear, insecurity and distress in which very many of the inhabitants of Cyprus now live. Such an improvement is also vital if the efforts of the mediator to promote a peaceful solution of the problem are to bear fruit. On the other hand, in the prevailing climate of mistrust and hostility, the communities concerned in the Cyprus problem are themselves often inhibited from taking the kinds of initiative which might lead to a substantial reduction of tension and conflict, and when proposals are put forth they are likely to be rejected—less on their merit than on the fact of their origin in one group or the other.

13. Taking such factors as the above into account, and in particular having in mind the urgent necessity of making progress in order to avoid having the operation in Cyprus stand still and eventually bog down, I have formulated, with the assistance of the force commander based upon his experience of the past four weeks, a program of steps and objectives toward the implementation of which, I believe, UN peace keeping operation should now concentrate its efforts. This program, about which, as a matter of course, the several parties and govts concerned have been informed, will require the co-operation of all those involved as well as their good faith and their confidence in UN peace keeping operation, if it is to be effective in producing the improvements which all desire. I believe, however, that the security council resln demands no—repeat "no"—less than earnest co-operation from all concerned, in the interest of the people of Cyprus and of the maintenance of international peace and security. The program which I have in mind, and which is annexed hereto, is by no—repeat "no"—means exhaustive, but it can serve as a yardstick against which the govts and peoples concerned, and the members of the security council, may measure the progress that is being made towards the objectives outlined in the security council resln of Mar 4, and reaffirmed on Mar 13.

14. In situations as complex as that now prevailing in Cyprus, the worst enemies are suspicion, fear and lack of confidence, breeding, as they so often do, hatred and violence. I believe that it may be useful, therefore, for SecGen of UN to make public at this particular time a program of reasonable objectives which all parties should readily find it possible to support. I earnestly hope that on the basis of the practical goals set forth in this program, Cyprus, with the assistance of UNFICYP, may be able to move significantly toward peace and normality.

ANNEX I

Objectives and interim aims of a comprehensive program of action for UNFICYP:

1. The task of UN force, as given in the security council resln of Mar 4, is to use its best efforts toward the following objectives: (A) to prevent a recurrence of fighting; (B) to contribute to the maintenance and restoration of law and order; (C) to contribute to a return to normal conditions.

Efforts in any of these directions must, to have their maximum effect and durability, be made in a concerted manner, bearing in mind that (A) and (B) above are decisive steps leading to the over-all objective of the restoration of normal conditions in the daily life of the people.

2. The following is a suggested list of some of the objectives that could be defined as part of the program of action designed to implehensive program of action for UNFICYP:

(A) Achievement of freedom of movement on all roads in Cyprus, including the Kyrenia road.

(B) Achievement of freedom of movement for all communities within the whole town of Nicosia and other cities under conditions of security.

(C) Progressive evacuation and removal of all fortified positions held by Greek and Turkish Cypriots, with priority given to Nicosia.

(D) Exam of the problem arising from the div that has taken place in the Cyprus police between the Turkish Cypriots and the Greek Cypriot members and the negotiation of necessary measures for their progressive reintegration.

(E) The progressive disarming of all civilians other than the regular police gendarmerie and the Cyprus army by the Cypriot govt and the Turkish community. UNFICYP, if requested, would assist in facilitating and verifying the disarming and the storage of arms under conditions of security.

(F) The control of extremists on both sides.

(G) The formulation of appropriate general amnesty arrangements.

(H) The arrangement of security measures and other necessary conditions to facilitate return to normal conditions and particularly of economic activity.

(I) The facilitation of the return of Turkish Cypriot civil servants and govt officials to

their duties, including the public services, such as postal, telecommunications, etc.

(J) The normal functioning of the judiciary.

The process of consultation and negotiation on these aims would continue side by side with the day to day efforts of the force to carry out its mandate.

3. While efforts to make progress on the above points continue, certain interim aims should also be established and pressed in selected localities and on particular problems. The following are suggested:

(A) The removal of emplacements, fortifications and trenches in selected areas of Nicosia with a view to repeating this measure subsequently in other areas.

(B) A determined effort in selected areas of Nicosia to re-establish normality by returning to their homes, under UN security guarantee, refugees, as, for example, those from Hamed Mandres to Omorphita who would not—repeat "not"—carry arms, and attention to the development of a program for the rehabilitation of their dwellings.

(C) A careful formulation of ways in which UNFICYP might be helpful in meeting the problem of the excesses by individual policemen in the course of searching and seizing civilians which at present causes much tension. Such a plan, which would largely depend on the use of UNFICYP police, would require a reliable system of reporting of abuses and a regular follow through by UNFICYP in every case, and would also require a high degree of liaison and confidence with all Greek Cypriot and Turkish Cypriot members of the Cyprus police.

(D) The institution of procedures for inquiry into every serious instance of shooting, especially when casualties occur, so that a full record of such incidents, the reasons and responsibilities for them, can be determined and maintained.

(E) The elaboration of a plan for the reintegration, with UNFICYP assistance and guarantee, of the Turkish Cypriot policemen into the Cyprus police force, perhaps starting in one or two carefully selected Turkish Cypriot communities.

(F) The use of UNFICYP good offices with both sides to improve the existing unacceptable living conditions through resuming essential public utilities and services and finally to ensure normal living conditions for the Turkish Cypriot community in tense areas, such as Ktima and Polis.

(G) Initial efforts to facilitate the return of Turkish Cypriot officials and civil servants to their positions in govt service.

(H) An appraisal of the possibility of establishing in certain areas Cypriot Greek-Turkish-UNFICYP joint patrols as a means of restoring confidence and promoting a return to normality.

(I) Efforts, with UNFICYP if necessary providing security, to revive meetings of Greek and Turkish Cypriots, both official and non-official, and at all levels.

ANNEX II

Statements issued on Apr 28, by Lt General PS Gyani, commander of UN force in Cyprus.

1. Quote—The scale of and the manner in which the operations have been carried out by forces under the authority of the govt of Cyprus in the areas of Pentadaktylos range (Kyrenia mountains) on Apr 26 and 27, indicate that these operations had been preplanned. They were a complete surprise to UNFICYP as there had been no—repeat "no"—sudden developments in that area in the last three or four days, and more particularly because I had put forward proposals for a cease fire on the eastern side of the pass.

Quote—As such action can have serious implications regarding the obligations of the govt and the role of UNFICYP vis-à-vis the security council resln and the task given to UNFICYP, I discussed the matter with the president and have also sent a full report to SecGen. Unquote.

2. Quote—His beatitude the president has told me that he wants a political solution to the problem of Cyprus under peaceful conditions and he wants peace and normality immediately in the country and that he is prepared to assist the UNFICYP in every way to achieve this aim.

Quote—Similarly his excellency the vice president has reassured me that peace and normal conditions to the maximum possible extent is his aim and he is convinced that peaceful conditions in Cyprus are essential to negotiate a political solution.

Quote—It is my firm belief now, that peaceful conditions can be restored and maintained in Cyprus and we in the UNFICYP will work relentlessly to bring about active measures to reduce tension and eliminate fear and assist in every way possible toward achieving quiet and peace in the island. I appeal to all the citizens to refrain from any action that would disturb the peace and to do everything possible to promote good will. Unquote. Text ends.

HOUSE OF COMMONS

Friday, May 1, 1964

The house met at 11 a.m.

PRIVILEGE

MR. NIELSEN—STATEMENT BY TRANSPORT MINISTER ON TELEVISION RATHER THAN IN HOUSE

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege—

Mr. Douglas: I rise on a question of privilege.

Mr. Nielsen: —affecting all hon. members of this house.

Mr. Speaker: I am faced with two questions of privilege. Is the hon. member for Burnaby-Coquitlam rising on a question of privilege?

Mr. Douglas: Yes, I am.

Mr. Nielsen: I too am rising on a question of privilege affecting all hon. members of this house.

Mr. Douglas: My question of privilege has to do also with the rights of members of this house, and I would like to state it.

Mr. Speaker: In cases of doubt, I have to give it—

An hon. Member: To the official opposition.

Mr. Speaker: Thank you; the Chair is able to make up its own mind.

Some hon. Members: Hear, hear.

Mr. Speaker: I have to make the judgment of Solomon, and little factors have to be taken into consideration. I must say that the hon. member for Yukon did speak to me just before the opening of the sitting, and he did say he would raise this question.

Mr. Erik Nielsen (Yukon): Thank you, Mr. Speaker. My question of privilege involves two matters the first being of serious concern to all hon. members of the house. It would appear that it arose for the first time last evening. It concerns the application of new provisional order No. 39 and the belief, mistaken in my view, that the strict application of the rule would mean that no questions of privilege or points of order can be raised between 10 and 10.30 p.m. I suggest, sir, that the rule be again considered by yourself and clarification brought down to the members of the house in this regard, or referred back to the rules committee.

I will be very brief on this particular aspect of the question of privilege. If Your Honour will refer to *Votes and Proceedings* for April 20, Your Honour will notice that the last paragraph of provisional rule 39(5) stipulates as follows:

> There shall be no appeal against any decision made by Mr. Speaker under the provisions of this subsection.

The provisions of this subsection refer to the rule that the discretion of Your Honour is to be accepted as to whether a particular question asked on orders of the day is urgent. I submit to Your Honour that the provision prohibiting an appeal relates strictly to a decision of Your Honour on a question of urgency. If Your Honour rules a question out of order on any other ground except that of urgency, I submit that the ordinary rules apply.

The second part of this matter relates to the absence of any reference in the new rule to points of order and questions of privilege being raised in the half hour between 10 and 10.30; the new rule is absolutely silent on this matter. If it was the intention of the rules committee that there should be no questions of privilege or points of order raised in this half hour, I submit it should have been so stated in the new rule. As it stands now, the new rule being silent on the subject, it will be my submission that questions of privilege and points of order can be raised, under the ordinary rules of the house. I submit that we need clarification on these points from Your Honour or by reference back to the rules committee.

The other portion of my question of privilege has to do with the circumstances as they did arise last night. On the orders of the day the hon. member for Broadview (Mr. Hahn) raised an absolutely planted and connived question with the Minister of Transport (Mr. Pickersgill)—

Some hon. Members: Order.

Mr. Nielsen: —with respect to a national air policy. The Minister of Transport was obviously prepared to answer on orders of the day; he had a written statement in his hand.

He was prevented, however, by Your Honour from doing so; in other words Your Honour ruled the question out of order and it was transferred for debate on the adjournment at ten o'clock last night. The question was again raised last night and a question of privilege was attempted to be raised by the hon. member for Northwest Territories (Mr. Rhéaume), when we got into this situation.

The situation would never have arisen if the minister had followed the usual custom and practice of making government policy announcements on motions, even if he had to resort to the practice followed by the Secretary of State for External Affairs (Mr. Martin) the other night when he asked at six o'clock to revert to motions in order to make an important announcement concerning government policy. We have had the occurrence time and again throughout this session of ministers leaking or releasing information on government policy to the press before the members of this house are informed.

The vehicles that are used, too, come in for some criticism. Here we have a publicly owned broadcasting system for which the minister is responsible, or which at least reports through the minister to parliament; and he uses his position of responsibility in order to make public announcements over the C.B.C. This practice of the minister is quite reprehensible to me, and I am quite sure to a good many other members in this house.

Some hon. Members: Hear, hear.

Mr. Nielsen: The hon. member for Winnipeg North Centre just a day or two ago expressed his view to the minister that we should not submit to having to read announcements on government policy in the press. That is what happened. The Toronto *Globe and Mail* was on the streets this morning at 8.30. It contained the release about which the house has still not heard because of the minister's disregard of the rules in not making an announcement on motions yesterday. The *Globe and Mail* had the information by five o'clock yesterday, and I had that information from the *Globe and Mail* office by seven o'clock.

The house is entitled to an explanation of this conduct—this disgusting conduct, since the minister himself used that phrase last night—in making this type of release outside the house. We have been waiting for weeks for an announcement on air policy. Hon. members have been asking questions since as far back as February 26. The minister, in contempt of the rights of the members of this house, has chosen to release the information to the press, as he has on other occasions, before informing the members of this house. This is a practice which we think is in need of correction, and in order to bring it forcefully to the attention of the government benches it seems that a substantive motion is in order. Accordingly I move, seconded by the hon. member for Grey-Bruce (Mr. Winkler):

> That this house condemns the action of ministers from time to time in announcing outside of the house policy decisions which should be announced in the house, an example of which being the announcement yesterday outside the house by the Minister of Transport of air policy, such action being a flagrant disregard of the custom, practices and privileges of this house and its members.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, before Your Honour decides whether there is a question of privilege, and since the hon. member invited me to make an explanation, perhaps I might be permitted to explain the circumstances attending this whole matter.

I considered very carefully last Friday morning whether the very tentative decision which was taken by the government to carry on another stage in the formulation of air policy, which has not yet been formulated and which I am sure will not be formulated for at least another month, justified my coming to the house and taking up the time of the house in making what might be called a progress report of what the government is doing about this matter.

I came to the conclusion that I should abide by the rules of the house, which, as I have always understood them, provide that ministers should not use the period on motions—and there have been many complaints about this on the other side—for propaganda purposes to advance the position of the government by way of trial balloons. I understand the rules to provide that ministers should not make statements on motions unless they are factual and deal with some matter which has been definitely decided and is final, and which would then require action of some kind by parliament in due course.

In other words, if I had had anything to say which would have led immediately to legislation, I think it would have been a discourtesy to the house to make the statement elsewhere. If I had had anything to say which was definite and would involve a request for expenditures, then, since the government is responsible to the house and cannot spend public money without a vote of the house, it seems to me that one should not make these

statements outside the house, when the house is sitting, without first letting the house know that the government is going to ask for that expenditure to be made; in other words that is a matter which is going to become the business of the house. However, if it is an ordinary part of the administration entrusted to the government, about which hundreds of statements are made every day, we would have no time left for the carrying on of the legislative and other business of this house if the time of parliament was cluttered up with matters of that kind.

Having considered that very carefully, I came to the conclusion it would not be a proper thing to do on motions, then or later, nor was it a matter that necessarily needed to be announced to anyone at all. But after I had met the presidents of the two railways and the presidents of the two air lines on Monday morning, it was drawn to my attention that they had themselves been seen coming into my office and that there was some curiosity about this. I was approached by several people, and I indicated to them that there was nothing secret about this matter, and if anyone made any inquiry about it I would indicate to the public exactly what I had intended to indicate to the air lines as to the lines along which they were being asked to proceed.

This is not government policy. This is just a stage in the formulation of government policy; and when an hon. member asked a question about this matter, as was done in the house yesterday, I would have responded except that the Speaker decided the question was not of that degree of urgency. The hon. member then put it down for debate after ten o'clock. After that had been done I was, as is quite natural, approached by several members of the press to see if they could find out about this matter. I was told also that there was a speculative story in the *Financial Post*. I said "I am going to tell the House of Commons, after ten o'clock tonight, in a very general way what I told the air lines, and I would rather you listen then but there is nothing secret about it." It just so happened, because hon. members felt it more desirable to use the time in other ways, that I was precluded after ten o'clock last night from answering the hon. member's question, and to him I apologize for that although it was not really my fault.

But, sir, these principles which I communicated to the air lines are not a statement of government policy at all. They are a statement of certain principles on which the government feels air policy should be based after there has been discussion, first with the main line carriers and then with the regional carriers and other interested bodies. I thought the house was entitled to have a legitimate curiosity satisfied about this matter, but since it was not a matter that the house was going to be called upon to deal with I did not feel I should have taken the initiative in inflicting it upon the house.

Mr. Nielsen: Mr. Speaker—

Mr. Speaker: Order. The hon. member has presented his motion, and I think we should hear from other hon. members.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the Minister of Transport is arguing that the statement which he made last night is not a matter of government policy. After examining it carefully I would say that it has very serious implications with respect to government policy. I would go further and say that for me it is a cause of great concern, because I can already see the shadow of the axe falling on certain activities of Trans-Canada Air Lines.

If the minister did not think it was an important statement of policy, I want to know why he suborned the C.B.C. into allowing him to make a statement on national television last night, which he was prevented from making in this house because of his failure to comply with the rules of the house. I do not condone the actions which prevented the minister from making his statement last night on the adjournment procedure, but the fact is that the fault lies mainly with the minister himself. It was apparent that there was an important statement to be made. Whether it was on the formulation of policy or a final decision on the matter of policy, the minister was desirous of making a statement. Instead of making it on motions, which was the proper place so that a member from each party could have made some comment on it—and I personally certainly would have been extremely interested in making some comments on the statement the minister made last night—instead of following this proper course the minister very transparently had a question planted, which was asked by the hon. member for Broadview. Your Honour ruled that the question might more properly be placed on the order paper, whereupon the hon. member for Broadview had it transferred to the adjournment proceedings.

I make no excuse for those who prevented the minister making his statement on the adjournment proceedings, but having failed

to do that the minister could have made a statement on motions today. The house was entitled to have that statement made in the house where members could comment on it and ask questions about it. Instead, the minister virtually compelled the Canadian Broadcasting Corporation to allow him to go on the air last night on television and on radio this morning to make a statement which the house had not yet heard.

I saw the television broadcast on the eleven o'clock news last night. There were two things that were quite apparent to anyone who viewed it objectively. The first was that the Canadian Broadcasting Corporation was embarrassed at having to put the minister on, and it was very apparent that they were doing so under pressure. The second thing that was quite apparent was that the minister was in a tantrum. If I had been picking a title for the production I would have called it "Pick in a Pique".

Mr. Speaker, I want to appeal to the Prime Minister. No other member of this house, having failed to get the floor to make a statement, is allowed to go to the Canadian Broadcasting Corporation and compel them to allow him to make a statement to the people of Canada which he has been unable, because of the rules of the house, to make in parliament. The minister said a while ago he did not want to be popping up giving what might appear to be government propaganda. What does he think talking to two million viewers last night was but government propaganda?

I would appeal to the Prime Minister to intervene in matters of this kind. If every time ministers find they are balked in some respect in the house, particularly a minister who until a few months ago was in charge of the C.B.C., they are to be permitted to go to the C.B.C. and order that body to put them on the air so they can go over the head of the House of Commons and appeal to the people of Canada; if that right is to be given to the Minister of Transport or any other minister, then it must be given to all members of the house.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the motion that has been made is one of the most serious that has come before the house.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I realize that those on the other side ridicule the opposition, but the C.B.C. must be kept free from political influence—

[Mr. Douglas.]

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —from without and within. Let that be clear. Too often recently the C.B.C. has apparently been subjected to the kind of control that last night took the form of intimidation on the part of the minister. I should like to ask the Secretary of State this question. Who was the medium of communication between the Minister of Transport and the C.B.C.? It was very obvious last night from the words used by Mr. DePoe that he felt that what was being done was improper. He made it very clear and definite that what was taking place was improper, and it was.

Are we to find ourselves in parliament in this position; that a minister, because his dignity has been hurt and his susceptibilities have been exacerbated, can rush to the C.B.C. and make the kind of statement which was made last night, a statement which was the epitome of Liberal propaganda? Certainly the time has come when this house and the country should find out the degree to which there is interference on the part of this government with the C.B.C. That could not have happened unless there was intervention by someone with influence. As I listened to what Mr. DePoe had to say, it seemed clear to me he objected to the C.B.C. being used as a cat's paw by the minister, and we want to find out the full circumstances in this connection.

Now, the minister says this was not an announcement of policy; it was just a kind of declaration of potential consideration of the problem. Is it potential consideration for the minister to say to T.C.A. and Canadian Pacific Airlines "This is what we want to achieve"? Even a suggestion, coming from one of the august eminence of the Minister of Transport, would have a tremendous effect on those who are subject to him, and that is what it amounts to.

Apparently it was leaked out elsewhere. The hon. gentleman mentioned the *Financial Post*. He called it a speculative article. Well, more and more, since this government came to office, government policy has become the subject of announcements through speculative articles. Last night what was denied to parliament was made available elsewhere.

I was not here for what took place last night, but I can say this; that the minister, yesterday, was obviously disturbed all through the day, sputtering like a squib, obviously annoyed about something. I do not know what it was, but he showed it all day

yesterday, and his performance on the C.B.C. last night should earn for him one of the Oscars for nonsense.

Right Hon. L. B. Pearson (Prime Minister): Perhaps in view of the remarks made by the Leader of the Opposition I might be permitted to say a word on this matter. The right hon. gentleman concluded his statement, after making some offensive personal remarks about the minister concerned, by saying that certain information was denied to parliament. Mr. Speaker, that information last night was denied by the opposition, so that parliament and the people could not hear it.

Mr. Douglas: May I ask the Prime Minister a question? Was he in the house yesterday when the hon. member for Yukon—and we were all in agreement—offered unanimous consent to allow the minister to make his statement on the orders of the day?

Mr. Pearson: I was not in the house, any more than certain other hon. gentlemen were in the house. But it was clear that the minister—

Mr. Lawrence E. Kindt (Macleod): On a point of order. With regard to the statement which has just been made by the Prime Minister blaming the opposition for doing certain things and keeping this information away from the house and the public, I think in the light of the explanation which has been given by the leader of the New Democratic party the Prime Minister should withdraw his statement.

Mr. Pearson: I said that last night, after ten o'clock, this information was denied to parliament by the actions of the opposition, and that is strictly accurate.

However, this does bring up some important questions. It is perfectly obvious that under the change we have made in our rules on a trial basis, a minister who is replying to a question raised at ten o'clock has three minutes only in which to do so, and that if questions of privilege and points of order are brought up in that period it is perfectly easy to prevent him saying anything at all. I think that should be looked into.

Now the question has been raised—and it is an important one—about making statements on motions rather than making them in reply to questions; in short, how the procedure on motions should be used, and I would hope that the committee on procedure would deal with this matter in its next report so that we can clear up this difficulty—because it is a real difficulty—of when to make statements on motions and when they are more suitably made in reply to a question, which can be followed immediately by supplementary questions. We have now a situation where if a statement is made on motions there can be four comments made, one after another. In any event, I think this is becoming an increasingly important matter in our procedure, and I hope the committee will be able to do something about it.

Perhaps I do not need to go into the charge which has been levelled at the minister and which is reflected in this particular motion, because the facts are clear; but in bringing this matter to the attention of the house this morning the Leader of the Opposition was careful to emphasize that no pressure should be brought to bear on the C.B.C. by any member of the government. I could not agree with him more. We should get away from this idea that a member of the government should try to persuade the C.B.C. to do anything, or that if they do not do something heads will roll. I am informed that no pressure whatever was brought to bear on the C.B.C. last night.

Some hon. Members: Oh, oh.

Mr. Pearson: It is all right for hon. gentlemen opposite to laugh. The right hon. gentleman opposite made his charge without any evidence at all except his own intuition.

Mr. Diefenbaker: The facts speak for themselves.

Mr. Pearson: I think the C.B.C. will have to deal with this matter itself and issue a statement as to whether pressure of any kind was brought to bear. They are the people who know. I may add that we have to be awfully careful here. The C.B.C. puts on a program which has been free from political partisanship over the months and the years; and the other night, for the first time, a member of parliament from the Conservative party appeared on that program, to the surprise of a great many people. At that time we did not suggest that some pressure must have been brought to bear on the corporation to allow a Conservative member of parliament to make a partisan statement on a "Viewpoint" program. I did not get up in the house and complain, with contrived indignation, that this was the result of pressure brought to bear on the national broadcasting system.

It is clear that the hon. member who moved the motion and the hon. member for Burnaby-Coquitlam did not have any evidence to support their statements, and if they

are going to make a charge of this kind against the government they should be careful not to make it without any evidence to support their allegations. They said, without any evidence except their own intuitive reaction, that pressure was brought to bear on the C.B.C., and they said that the question which started all this was a contrived and planted question. They gave no evidence at all to support that statement, and when charges of this kind are made in parliament I think members on all sides should be careful to support those charges with evidence. That has not been the case with regard to these particular charges.

Mr. Bert Leboe (Cariboo): I am sure no one in this house is very happy about what took place last night. There has been a reflection on the C.B.C. and, to a degree, on the committee which worked so hard to try to help out in the adjustment of the rules so that certain improvements could be made in the way we carry out our business. The rules committee which has been working toward the betterment of the situation in the house is to be commended for the work it has done. We do not expect that perfection will result from the first efforts, and this was acknowledged by the fact that the present arrangement is tentative.

There has also been a reflection on the C.B.C.

Some hon. Members: No.

Mr. Leboe: In my opinion there has been a reflection on the C.B.C. It has been said it yielded to pressure. That is the claim, as far as I am concerned; and it constitutes in my view a serious reflection on the corporation. While I am speaking on this particular subject I would remind both the government and the opposition that with regard to time allotted for political purposes, a partisan view is very evident and we have objected to this state of affairs for a long time.

As to the matter of planted questions, this is a practice which has been going on for a long time, and both major parties of the house have been equally responsible during the periods when they have held office. It has been going on during all the eight years I have been here.

As far as I am concerned, this is a case of the pot calling the kettle black, and it depends, in my view, on whose ox is getting gored as to who does the squealing. We have also found here that if we are going to agree with the minister that this was not government policy, then we must also agree with the Leader of the Opposition, who says it is propaganda. It cannot be both propaganda and policy. The Leader of the Opposition says it is propaganda; the minister says it was not government policy, so we have to take it from there.

Mr. Speaker: The hon. member for Cape Breton South.

Some hon. Members: Oh, oh.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, if you will keep the snakepit quiet, I will say a few words. The Minister of Transport, referring to the broadcast of last night, said it was not a policy statement but a progress report. It strikes me as rather odd that the minister found it necessary to rush to the C.B.C. studio last night to give the nation a progress report on a policy which he said will not be completely formulated for at least another month.

The Prime Minister, in reference to the statements made from this side of the house, said that charges were made without any evidence whatsoever. In the event that the Prime Minister failed to catch the broadcast last night, I would call his attention to the fact—and I am sure that many of his colleagues will inform him of this—that the evidence was very much to the forefront when the C.B.C. correspondent found it necessary to tell the minister, before the broadcast started, that it was not the intention of the C.B.C. to provide ministers of the crown with a platform for announcing government policy. "Policy" was referred to in that particular newscast last night on more than one occasion. The minister himself said he had a policy announcement to make but was prevented from doing so.

In this connection, Mr. Speaker, I draw your attention to the minister's use of the word "illegal". Is it illegal in this house for any member to rise on a question of privilege when he understands that the rules provide that he must rise when that question comes to his attention? This is what happened last night.

There was also a reference to the fact that the opposition had filibustered this question. I would draw your attention again, sir, to the fact that the minister's time was three minutes; and if a procedural argument takes three minutes is the minister imposing upon us in this house, as he imposed himself upon the C.B.C. last night, the thought that any procedural argument that takes three minutes is to be referred to in the future as a filibuster? The evidence was very much in effect, and I suggest that if the Prime Minister

reads the remarks of the Minister of Transport he will find that evidence there.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Obviously, Mr. Speaker, as regards to the statements made this morning, one might say that three different questions of privilege have been raised about a single question of privilege.

First of all, there is the question of privilege concerning parliamentary procedure as it was followed last night. There, I must admit that, despite the fact that I am a member of the committee on procedure, I was rather surprised myself at the way the new standing order was applied. In this case I would ask that the problem be referred once again to the committee so that the technical points respecting the adjournment motion period, which extends from 10 to 10.30 p.m., may be clarified in the interest of all members of this house.

As for the second point, Mr. Speaker, it is a statement made outside the house.

In our opinion it was certainly a statement of policy on the part of the government since the Minister of Transport (Mr. Pickersgill) expressed an opinion or a new policy about the management of the two main Canadian air lines. It is a matter of policy and the statement was made outside the house.

The Prime Minister (Mr. Pearson) stated that the opposition had prevented the Minister of Transport from making his statement in the house. Now, Mr. Speaker, I must point out to the house that last evening as reported at the bottom of the right hand column of page 2802 of the English edition of *Hansard*, I said:

> I agree, provided the Minister of Transport (Mr. Pickersgill) is allowed to make the statement he wished to make a moment ago when he was prevented from doing so by hon. members opposite.

As shown by the record, the Minister of Transport was given the opportunity by the opposition to make his statement. If he was unable to make it, it is because the Speaker put an end to the discussion and adjourned the debate. But the Minister of Transport was allowed to make his statement by the opposition.

Now, Mr. Speaker, on the third question of privilege, the whole matter arises again. First, reverting to the second question of privilege, I must say that such statements of policy should be made in the house, and that the C.B.C. should not be used as a political forum in an attempt to influence the Canadian people. Such a statement should first be made in the House of Commons.

Now, Mr. Speaker, with regard to the third question of privilege which was raised, namely that the C.B.C. had to submit to that propaganda, assertions have been made by some members of the opposition as well as denials by the Prime Minister and probably by the Minister of Transport.

On that subject, I think it would be of no avail for us to discuss this point as long as an investigation has not been made. I submit that an investigation should be set up and that the Prime Minister should request that such an investigation be made—a serious one—possibly by the committee on privileges and elections, so as to know whether members of the cabinet took it upon themselves, yesterday, to put undue pressure on the C.B.C. to get it to broadcast announcements or statements by certain members of the government.

For our part, we do not wish to make any charge. We have no proof. However, in view of the facts, I feel that an investigation should be held by the government or by the privileges and elections committee to determine whether members of the government have the right to convey messages, by means of force or pressure, through a crown corporation such as the C.B.C.

I know quite well that such a right would be denied us so I do not see why it should be given to other members.

In fairness to all hon. members and all parties in the house, that point should be cleared up.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, just a few words on that matter. A while ago we heard the Leader of the Opposition say that the rights of parliament had been violated; on the other hand we heard the Prime Minister say that the rights of the minister had been violated, that they had not been recognized, and that he had been prevented last night from making in the house the statement made over the C.B.C. However you look at it and under no circumstances has he the right to make a statement outside the house about a matter of policy, as he did yesterday, when we ourselves heard over the C.B.C. the announcement to the effect that a certain amount of competition between the two great Canadian air lines had to be eliminated. It is all very well to charge certain persons or ministers with making political capital through the C.B.C.; but as for us, we do not want the corporation to be used as a political springboard. However, there are high officials in the C.B.C. who mix politics with their duties. It is then up to parliament to rule whether such political interference should be allowed in the C.B.C.

We notice, for instance, that members of the Liberal and Conservative parties are invited by the C.B.C. more often than they deserve, while members of the third parties are completely ignored. Who is responsible? We do not know, but what we know is that it is done at the request of a high ranking person.

Consequently, ministers should make their statements of policy in the house instead of using the C.B.C. to announce new government policies. We will fight that as strongly as we can.

[*Text*]

Mr. Knowles: Mr. Speaker—

Mr. Speaker: If I may, it seems to me that the Speaker is entitled to make a few remarks—and I hope they will be useful and helpful; that is my purpose and object in intervening at this time—without deciding right now whether the motion is in order.

Mr. Knowles: Mr. Speaker, am I to assume that your remarks will not prevent me from making a few remarks later?

Mr. Speaker: Yes. The hon. member will see very quickly why I am making these remarks. I think it might be useful at this time to recall to the attention of all hon. members that, contrary to the system followed in the United Kingdom, where notice is always given of oral questions and where the man occupying the chair has some opportunity to consider a question carefully in order to determine whether it is in order, we do not have that provision under our practice in Canada, and the Chair is obliged in a split second to render a decision which may or may not be good. Even in the courts of our land a judge at least has the right to take time to consider whether his judgment is properly drafted; and even then the court of appeal, in dealing with a matter of principle, has time to consider it. But under our system the Chair must decide on the spot whether a matter is right or wrong, and consequently the position is not as easy as it may appear. Thus when we come to borderline cases it is possible for the Chair to make mistakes.

With regard to the question of yesterday, it seemed to me—needless to say there was no communication with the Chair before the question was asked; there was no notice given, and the Chair had absolutely no advance information—as I suggested, that the question should be put on the order paper, under the instructions given to me by the house, which are that a question should not be of a nature requiring a lengthy and detailed answer. It was obvious that if the minister was going to reply and outline a whole policy with regard to the aviation industry, it would require considerable time; and under the rules as given to me, questions should be asked as shortly as possible and the answers to questions, as it says here, should be as brief as possible, should deal with the matter raised and should not provoke debate.

Consequently it seemed to me that this question was one for the order paper, which of course would mean for discussion at ten o'clock. That is the basic reason, which I still consider sound, why action was taken in that respect. In view of the discussion last evening it seems to me that perhaps the matter could have been raised on motions, but that is a matter for the minister to decide, not the Chair. I must say that the Deputy Speaker in my opinion carried out in a proper manner the rules as given to him by the house.

May I at this time point out to the house that the view of the occupant of the chair at the present time is very simple, and I think is quite correct, namely that it is not up to the Chair to make rules; it is up to the Chair to do its best to interpret the rules as given to the Chair. Consequently, although I happened to be selected as chairman of this committee on procedure and organization, I took steps as soon as it was possible to set up three subcommittees, one of which is the subcommittee on procedure. The members of that subcommittee chose as its chairman the hon. member for Winnipeg North Centre (Mr. Knowles); and I think that is right in principle, because it means that the subcommittee will decide what rules the house should or should not adopt and that these suggestions, if accepted by the house, have been drafted by the members of the house and then handed to the Speaker for interpretation. I think it is a very important principle that the Speaker do not impose his ideas on the house. He must carry out the instructions of the house.

With respect to the interpretation of this new standing order 39A, I think it might be very useful at this time if the chairman of the subcommittee on procedure, the hon. member for Winnipeg North Centre, explained to the house once more the purpose of this rule. If, of course, the house is not satisfied with that particular section it can be changed, because this is only a trial period. But the importance of the provisional standing order and the reasons for bringing it in are fundamental, and how the standing order should

be applied depends to a great extent on the understanding of the purpose and the object of the standing order. I think that at this stage if the hon. member for Winnipeg North Centre would give us briefly once more the purpose of this article it might help all hon. members at this time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, even before the invitation you have just given me was made it was my intention to say a few words on the question of privilege that has been raised. I had intended to start by saying that though I have strong feelings about all the aspects of the point that has been raised this morning, it would be my purpose to confine myself to the question of the operation of provisional standing order 39A. It was also my intention previously, and it certainly is now after the invitation Your Honour has given me, to speak in a low key despite the feelings which have been ventilated this morning.

I should like to say right at the outset that it is my intention as chairman of the subcommittee on procedure to call a meeting of that subcommittee just as soon as all of its members are available so we can review what happened last night and consider whether any suggested changes should be made.

Perhaps hon. members will forgive me if I take a few seconds to indicate the personnel of the subcommittee. We are getting along very well and I hope we may be able to make further suggestions which will be helpful to the procedures of the house. I have with me on the subcommittee the hon. member for Inverness-Richmond, who is also the Minister of Labour (Mr. MacEachen); the hon. member for Stormont, who is also Mr. Deputy Speaker (Mr. Lamoureux); the hon. member for Peace River (Mr. Baldwin); the hon. member for Parry Sound-Muskoka (Mr. Aiken); and the hon. member for Lapointe (Mr. Grégoire). I give these members notice now that at the earliest possible moment we will be holding a meeting to consider what happened last night.

Having said that, may I give what I think was at least my understanding of provisional standing order 39A as we proposed it to the house on a trial basis. As hon. members are aware, one of the first in the house to suggest that we provide for debates at the adjournment time to make up for difficulties during the question period was the Leader of the Opposition. I happen to have had the honour of drafting this particular provisional standing order 39A, but it has been accepted unanimously by the house. Our idea was that we should approach the problem created by the orders of the day question period in a two-fold way; that on the one hand we should try to cut down the time used on the orders of the day question period, but that we should provide for members an escape valve or some recourse so they would not feel that their rights were being curtailed. That was the reason this extra half hour was provided.

I would emphasize that the extra half hour which has been provided at night is, in a sense, a gift, something new for members, something we did not previously enjoy, and I think all hon. members have been accepting it in that way. Personally I have been pleased at the interest shown in it. I think if we can judge by the two week trial basis, even in spite of last night, its purpose is being achieved. We have been able to cut down time used on the orders of the day question period, yet we have this escape valve, and interest has been shown in the operation of the escape valve itself.

When we drew up the terms for this half hour debate at night we had to face a number of problems. One of the problems was this. Are we going to have a piece of machinery under which the adjourned sitting of the house might go on and on? Are we going to get back to the eleven o'clock adjournment which we had a few years ago and tried to get away from? We felt that in fairness to ourselves, in fairness to the staff and in fairness to everybody else we should not have an extended period at night, so we drew up the order with a view to it being confined to a half hour period. We provided seven minutes for a member and three minutes for a minister, three times a night, and we made the specific decision that if 30 minutes went by and the matters had not been concluded the house was to be adjourned at that point.

I think it is fair to say that we did have the feeling that the only way this could work would be if there were no interruptions. If people were interrupted, either in the seven minutes given the member or in the three minutes given the minister, by points or order, questions of privilege or what have you, it was our feeling that it would defeat the purpose of this new rule. It would mean that time given to an hon. member would be taken away from him, or that we would be running into an extension of the time and in that way create something which hon. members would not want.

We did not spell this out in detail. The members of the main committee which was

presided over by Your Honour, if you remember the discussion on this matter in room 16 on the day this order was passed, felt that the provision at the end of provisional standing order 39A—not the one at the end of provisional standing order 39(5) but the one at the end of 39A, which reads—

> There shall be no appeal against any decision made by Mr. Speaker under the provisions of this standing order.

—implies that points of order and questions of privilege were not to be raised.

Not only was there the experience of last night. Since then I have had discussions with various hon. members—backbenchers, middle benchers and front benchers—and there is concern. Their feelings have been expressed to me in these terms: "Yes, you have to limit this to a half hour period or we will be in trouble. You have to try to avoid interruptions, otherwise you defeat the whole purpose. Yet on the other hand, can you close out completely the right of a genuine question of privilege? If in the course of a question or an answer one member says something about another member which is defamatory, libellous or offensive, can you close out completely a question of privilege?" That is a real question, and maybe provisional standing order 39A as we have drafted it does not take cognizance of that possibility.

I feel that if we are going to make some provision for a point of order or question of privilege to be raised we will have to make it very specific. We will have to make provision for this to be done in a period outside the seven minute and three minute periods. There is no point in providing seven minute question and three minute answer periods if they can be interrupted, as was the case last night, and their whole purpose defeated.

As I said, Mr. Speaker, I am trying to address myself to the house in a low key, but though my voice may be up I am trying not to assess any blame for what happened last night. Let us say that the provisional standing order is capable of some misunderstanding or misinterpretation. I think the Deputy Speaker did right in the light of what he had in front of him last night; but since there is a feeling on the part of hon. members that perhaps we should take another look at it, I undertake that an early meeting of the subcommittee on procedure will be called to do this.

In the meantime, if we do not get a report back to the house before Monday night, which is the next time the adjournment question and answer period will be in operation, I hope hon. members will consider that the purpose of this half hour is to provide seven minute and three minute opportunities for members and ministers, and I ask hon. members to restrain themselves from indulging in the kind of behaviour which occurred last night until such time as we can bring in recommendations which can cure any defect that there may be.

I do want to say that I am grateful to the many members of the house as well as the members of the press who have spoken to me personally about this, particularly for the way in which they have expressed pleasure that we have produced something which does the two things we needed to do; that is to cut down the question period yet preserve for members the opportunity or recourse to deal with a matter if they feel they need to do so. I think we are making progress, and I may say to the Prime Minister that we have another report in the mill. One of the things that we will deal with in our next report is the question of statements on motions, and maybe we will have to take another look at that in the light of what happened yesterday.

We are working hard. We have a good committee. The house has shown confidence in us, and I am sure the house will appreciate what we in the committee and in the house are trying to do, to put our procedures on a proper basis. With that confidence and appreciation I think we can make real progress.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I just want to say briefly that we seem to be getting completely away from the general tenor of the motion which has been introduced and the complaint which has been made. The real question relates not to the procedure, which undoubtedly broke down last night, but to the fact that following such a breakdown in procedure the minister, not being able to make his statement in the house, went and made it elsewhere. This is the real question of privilege that is before the house, and that is the motion the hon. member has made.

I may say, on the question that has been raised, that I believe we found out last night there are shortcomings in this procedure, but I should also observe that I do not believe either the committee or the house anticipated that this period would be used for a planted question, in reply to which a minister could make a statement that should be made on motions. The danger is very obvious, that having made such a statement there was no opportunity for comment by any members of the opposition parties.

This is where the minister and his colleague fell into a trap of their own making. I agree with the hon. member for Winnipeg North Centre that there was a breakdown. However, I do not think the breakdown was in the rule but in breach of the intent behind it.

We must now consider the real substance of this motion. There is a motion before the house and, in accordance with Beauchesne citation 105, it should be dealt with forthwith.

Mr. Nielsen: Mr. Speaker, I may not have an opportunity of saying this later, so I think I should say now that in my remarks in raising the question of privilege and putting my motion, I may have said something which was inaccurate in relation to a member of the press gallery, with regard to the comment I made that I phoned the *Globe and Mail* office. What actually transpired was that I phoned the office and was informed that the story of the national air policy was on the Canadian Press wire at five o'clock, so that what I said bears no reflection on any particular member of the press gallery.

Mr. Pickersgill: Perhaps I might be permitted to say a word on that. The story on the Canadian Press wire did not purport to come from me, and did not come from me.

Mr. Speaker: Order, please. I have to decide whether the motion as presented this morning is or is not in order. Right at the beginning I would like to refer hon. members to Beauchesne's fourth edition, citation 71 (6):

> In all matters of doubt, the Speaker will consider attentively the opinions of members of experience, or sometimes, instead of expressing his opinion on either side, may ask instructions from the house or reserve his decision on the point in discussion, or suggest that the house may, if it think proper, dispense with the rule in a particular case.

This morning, if I am correct, we have had 60 minutes of discussion. We have in the time at our disposal, made careful research; and when I say that I do not know of any instances where statements outside the house have been declared by the Chair to constitute a prima facie breach of privilege, we have not, in the short time at our disposal, been able to find any case to the contrary.

In the past it has been considered as a grievance and, as I say, we have had very considerable discussion this morning. Therefore it seems to me that the motion presented by the hon. member for Yukon is, as stated, in the nature of a substantive motion which would require notice. However, in my opinion it is more of a grievance, and inasmuch as I understand that on Monday and Tuesday there will be a supply motion, where this matter may be discussed thoroughly and at length, and in view of the discussion this morning and the explanations given, serious though the matter is and though it was quite properly raised, nevertheless in my opinion, I do not believe the motion should be accepted by the Speaker at this time.

Mr. Nielsen: Mr. Speaker, I feel, with great deference to Your Honour's ruling, that the matter goes far beyond a simple grievance. We have had the action of government ministers, and of this minister in particular, which requires some redress. All hon. members of the house have been held in contempt by the minister's action. That is why I put the motion, and I respectfully ask Your Honour to put the motion to the house.

Mr. Speaker: I am sorry I did not hear the last sentence, as I was interrupted.

Mr. Nielsen: My last sentence, to which I would respectfully request a reply from Your Honour, was that you put the motion to the house.

Mr. Speaker: Well, I appreciate the reasons which motivate the hon. member, but I do not think it is up to the Chair to appeal its own ruling.

Mr. Nielsen: Then with the greatest respect, Your Honour, and because of my differing views with Your Honour, I would with regret appeal Your Honour's ruling.

Mr. Speaker: The house has heard the decision of the Chair from which the hon. member for Yukon has appealed to the house. All those in favour of sustaining the decision of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

And the members having been called in:

Mr. Speaker put the question as follows:

> The question is an appeal to the house from a ruling of the Chair, which is as follows: The hon. member for Yukon, rising on a question of privilege, proposed to move—

Some hon. Members: Dispense.

Division

Mr. Speaker: I think this is a rather important point, and therefore I should put the question.

The hon. member for Yukon, rising on a question of privilege, proposed to move:

"That this house condemns the action of ministers from time to time in announcing outside of the house policy decisions which should be announced in the house, an example of which being the announcement yesterday outside the house by the Minister of Transport of air policy, such action being a flagrant disregard of the custom, practices and privileges of this house and its members."

The Chair, having stated that the motion as drafted was in the nature of a grievance rather than a question of privilege and as such an opportunity to raise the question should be available on Monday next, ruled that the motion could not be put at this time.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Addison
Armstrong
Badanai
Basford
Batten
Beer
Bélanger
Benidickson
Benson
Boulanger
Byrne
Cadieux (Terrebonne)
Cameron (Nanaimo-Cowichan-The Islands)
Caouette
Cardin
Caron
Carter
Choquette
Chrétien
Côté (Chicoutimi)
Cowan
Cyr
Deachman
Deschatelets
Douglas
Drouin
Drury
Dubé
Émard
Eudes
Favreau
Francis
Frenette
Gauthier
Gelber
Gendron
Godin
Gordon
Gray
Grégoire
Habel
Hahn
Haidasz
Harley
Hays
Hellyer
Herridge
Howard
Jewett, Miss
Kelly
Knowles
Konantz, Mrs.
Lachance
Lamontagne
Lamoureux
Laniel
Latulippe
Laverdière
Leboe
Lessard (St. Henry)
Lloyd
Loiselle
Macaluso
Macdonald
MacNaught
McIlraith
McMillan
McNulty
McWilliam
Martin (Essex East)
Martin (Timmins)
Matheson
Matte
Morison
Mullally
Munro
Nicholson
O'Keefe
Orlikow
Patterson
Pearson
Pennell
Pépin
Perron
Peters
Pickersgill
Pilon
Rideout
Rinfret
Robichaud
Rochon
Rock
Rondeau
Rouleau
Roxburgh
Ryan
Sauvé
Sharp
Stewart
Tardif
Temple
Thompson
Tremblay
Tucker
Turner
Wahn
Walker
Watson (Châteauguay-Huntingdon-Laprairie)
Webster
Whelan
Winch—111.

[Mr. Speaker.]

NAYS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Bell
Bigg
Cadieu (Meadow Lake)
Cardiff
Chatterton
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Doucett
Fane
Forbes
Girouard
Gundlock
Hamilton
Horner (The Battlefords)
Howe (Wellington-Huron)
Irvine
Kennedy
Kindt
Korchinski
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McIntosh
Madill
Mandziuk
Martineau
Millar
Moore
Muir (Lisgar)
Nielsen
Noble
Nugent
Ouellet
Pascoe
Paul
Pigeon
Rapp
Rhéaume
Ricard
Skoreyko
Smallwood
Southam
Starr
Stefanson
Stenson
Vincent
Watson (Assiniboia)
Webb
Weichel
Willoughby
Winkler—63.

Mr. Brown: I was paired. Had I voted I would have voted to sustain Your Honour's decision.

COMMITTEES OF THE HOUSE

MARINE AND FISHERIES—CONCURRENCE IN FIRST REPORT

Mr. C. R. Granger (Grand Falls-White Bay-Labrador) presented the first report of the standing committee on marine and fisheries, and moved that the report be concurred in.

Motion agreed to.

PUBLIC ACCOUNTS

Mr. G. W. Baldwin (Peace River) presented the first report of the standing committee on public accounts.

He said: Mr. Speaker, it has been suggested that motions for concurrence in these reports might stand until Monday, rather than ask for unanimous consent to proceed with them today.

Mr. Pickersgill: I wonder if they could not all stand.

MINES, FORESTS AND WATERS

First report of standing committee on mines, forests and waters—Mr. Godin.

ESTIMATES

First report of standing committee on estimates—Mr. Pilon.

TRADE

REPORT ON MEETING IN OTTAWA OF JOINT U.S.-CANADIAN COMMITTEE

Hon. Paul Martin (Secretary of State for External Affairs): In accordance with the practice followed on previous occasions, I should like to report that we have had a visit to Ottawa of United States cabinet members and senior officials who attended a two day meeting here on Wednesday and Thursday of the joint United States-Canadian committee on trade and economic affairs. This meeting provided an opportunity for Canadian ministers to discuss at first hand with the United States secretaries a range of important matters in Canada's relationship with the United States.

This was the ninth meeting this body has held since it was set up in 1953. It was evident in our discussions that good progress has been made during the past year in resolving the difficulties which exist in relations between the two countries. There has been a general improvement in our relations. There is today a determination in both countries that we should co-operate closely in resolving problems and promoting the interests of the two countries in economic and trade matters. The United States recognizes that there is an imbalance for Canada in its trade and payments with the United States, and agrees with our desire to improve our current account through an expansion of exports.

We had good discussions of ways in which we can expand our mutual trade and our trade with the rest of the world in manufactured goods, industrial materials and agricultural products. We have a common interest in working for the success of the forthcoming Kennedy round of GATT tariff and trade negotiations which opens next Monday in Geneva. These negotiations could lead to important gains for Canada's export trade.

During our two day meeting we dealt with many other trade and economic matters of importance to Canada, such as difficulties Canadian exporters are encountering as a result of the recent reclassification of the United States tariff. We are hopeful that United States restrictions on imports from Canada of lead and zinc and cheese can be eased. A program of studies relating to the utilization of the energy resources of the two countries was initiated.

We also had a good discussion of the Canadian automobile program which was introduced last November with the purpose of rationalizing production in Canada and increasing the efficiency of the Canadian industry. Our program is already showing itself to be successful. During recent months trade in motor vehicles and parts has been increasing substantially in both directions.

This visit to Ottawa of Mr. Rusk and his colleagues provided opportunities for Canadian ministers and their United States counterparts to have talks on other matters of joint concern. As the Prime Minister indicated in the house yesterday, we discussed the question of improving the highway to Alaska. We heard from the United States their ideas on the possible development of Passamaquoddy tidal power and we discussed great lakes water levels. I was particularly gratified to have an opportunity to review with the United States secretary of state a number of problems of critical concern internationally, particularly in view of the fact that he has just returned from visiting two countries in Indo-China.

Our discussions here on Wednesday and Thursday demonstrated clearly the wide range of common interests between Canada and the United States and the readiness of our two governments to co-operate in furthering our common interests. Where problems exist, these discussions at cabinet level serve to bring about a better understanding of each other's interests and policies. We are exploring the possibility of further developing principles which would facilitate co-operation in economic and other policies. We look forward to the next meeting of this committee, which will be held in Washington within the coming year.

Mr. Speaker, for the information of the house I wish to table copies, in French and English, of the communiqué which was issued at the end of the meeting yesterday.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the communiqué which has now been tabled will be found on examination to be a most bland document; it is notable for its omissions. There is no mention of the situation on the great lakes or the turning over of the S.I.U. to the control of one who is in turn controlled by Mr. Hall, the head of the international union. There is

no mention of the Passamaquoddy, although the minister made a passing reference to it. Certainly these meetings are beneficial in bringing together the ministers of both countries and in discussing economic matters; but when the minister a moment ago referred to the good progress that has been made in the last year in regard to the solution of problems between Canada and the United States, you may have missed it, sir, but there was a flicker of a smile on his face as he said that.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Mr. Speaker, on a point of order. The right hon. gentleman has much licence in this house but he must not impose too much on the judgment of the house.

Mr. Diefenbaker: The hon. gentleman is interrupting all the time—

Mr. Martin (Essex East): Mr. Speaker, there was no flicker of a smile on my face. The fact is that the right hon. gentleman does not like it, but the relations between our two countries have very considerably improved.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman is smiling again in the same way—

Mr. Martin (Essex East): I am smiling at the right hon. gentleman.

Mr. Diefenbaker: —for he realizes the hollowness of his statement. One has only to read what the under secretary of state, Mr. Ball, said the other day to give a "Ball-ed" answer to the statements made by the hon. gentleman a moment ago. It would have been of interest to learn what the United States representatives said in support of Mr. Ball's contention that under this government there have been punitive and discriminatory tax measures taken, directed against American investment. It would have been of interest to hear Mr. Ball's contribution as a member of this group, and I would like to have known what the Canadian attitude was in this regard and which viewpoint was expressed on behalf of Canada. Was the viewpoint expressed that which is heard from time to time from the Prime Minister and the Minister of Finance? The other day the Minister of Finance spoke in New York and said, in regard to foreign investment in Canada, a matter of tremendous interest to any economic meeting of ministers:

> But Canadians are worried about the consequences of all this foreign investment upon the control of Canadian industry—
>
> Rightly or wrongly, many of us feel the rising trend in the absentee ownership of our key industries poses a threat to our economic independence.

Mr. Martin (Essex East): On a point of order, Mr. Speaker. One does not like to interrupt, but surely the right hon. gentleman will recognize that in introducing that speech which was made altogether outside of yesterday's conference, and which was discussed by my hon. friend on Friday, he is away out of order. All he should now be allowed to do is discuss per se the statement that I made, and not introduce matters which are extraneous and which have nothing to do with the subject matter of the conference.

An hon. Member: It is embarrassing for you.

Mr. Diefenbaker: Mr. Speaker, I need only add that it was the minister himself, by his extraneous statements, his opening statements, who brought this about. He made statements that I challenge immediately; statements that had no reference whatever to the meeting but were simply for self glorification. I am simply asking—and I wait for your ruling—whether the views expressed by the cabinet were the views of the Minister of Finance, or were they rather the views of the Postmaster General who, speaking the other day, on April 29, said—

Some hon. Members: Order.

Mr. Diefenbaker: —"American domination"—

Mr. Speaker: Order, please. I had hoped that with the approach of the week end we might be able to make faster progress. The question is a point of order, and generally speaking the interpretation of statements on motions should be restrictive; they should be limited to a discussion of the matters raised in the statement. I am glad to tell the house that I hope the subcommittee on procedure will be introducing some refinements very shortly; but in view of the fact that the Leader of the Opposition is a man of very considerable parliamentary skill and experience I know he will listen to the suggestion I make, that if possible the clear interpretation of statements, and answers or criticisms of statements in the house, should be limited to the statements.

Mr. Diefenbaker: Mr. Speaker, as always I bow to your ruling; and you would have also ruled if I had interrupted, I am sure, that the extraneous statements made by the minister impelled and provoked me into answering them, and he was afraid of the answer. I was endeavouring to ascertain what

the viewpoint of the Canadian government was on this matter, because two viewpoints have been expressed, one of the Minister of Finance and the other of the Postmaster General, who contended that "American domination" was "invoked to ridicule Canadian authority, to shame Canadian national pride". I wondered which viewpoint had been expressed with reference to the communiqué.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, the applause is well timed. Up to the present time I was answering the remarks of the hon. gentleman that were outside of the communiqué, and having done that I now proceed to deal specifically with the communiqué.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The communiqué says:

> The committee discussed policies which each country was following to improve its balance of payments.

That raises the whole question of the discriminatory legislation introduced by this government against United States investment. We should have liked some information in this regard. There was the pious expression of the view that the principles of non-discrimination should achieve this objective. That particular portion of the communiqué is in line with the viewpoint of Her Majesty's loyal opposition, which has consistently opposed the economic tinkering in which this government has engaged.

Next the automotive program was stressed by the minister, as it is in the communiqué. We have taken the stand that the course followed by the government in this connection is one that could only bring about retaliatory measures on the part of the United States, and that is what has happened. The communiqué says:

> Canadian ministers expressed concern about increases in levels of certain United States tariffs arising from the recent reclassification of the United States tariff, including rates on parts and components.

That has been the position of automobile workers across Canada, that as a result of the action taken by this government in bringing about discriminatory legislation, rather than proceeding by way of encouragement through incentive, there would be retaliation; and there has been. Then the communiqué says:

> They urged—

That is referring to the Canadian government:

> —that the United States government take action to correct this situation.

There is need of action in this regard. The hon. member for Portage-Neepawa—

Some hon. Members: Order.

Mr. Diefenbaker: —has referred to this fact, and I point out that because of the retaliatory action taken by Mr. Hodges, and threatened by him, various industries in Canada, including the farm machinery industry, are suffering as a result of the imposition of a 10 per cent duty in the United States.

Mr. McIlraith: Mr. Speaker, I am rising on a point of order. The Leader of the Opposition is obviously debating the subject matter of the announcement, and that is not permissible. What is permissible is for him to make a brief comment, which is a courtesy extended under the rules for the first time in recent years, directed to the announcement which has been made and to the propriety or non-propriety of making the announcement. The right hon. gentleman is not permitted, however, to debate the subject matter raised in the announcement itself. I hope the Leader of the Opposition agrees with that proposition, particularly when he remembers that the courtesy is one which is not granted to leaders of the other parties.

Mr. Diefenbaker: Mr. Speaker, I want to say this. I am reading from the communiqué to which reference has been made. This communiqué has been tabled. Am I to be denied the right to support what I have to say by arguments to the effect that the 10 per cent retaliatory tax imposed, which is affecting our farm machinery industry and our automobile industry, is a direct result of the failure to act on the part of this government?

Mr. Thompson: Mr. Speaker, on a point of order, if this is turning into a debate on this statement which has just been tabled, could the rest of us have copies of it? We have not seen it. I do not know how the Leader of the Opposition has it, but we do not have it. Certainly I do not think the matter should be debated under the circumstances.

Mr. Diefenbaker: I might point out distribution was made, and apparently the hon. gentleman has not gone through his mail this morning.

Mr. Speaker: In order to assist the house may I suggest that statements be brief and factual.

Mr. Diefenbaker: Mr. Speaker, mine are both. Then there is this reference.

> United States members expressed their concern over possible Canadian measures which might adversely affect certain United States publications.

We should like to know what happened. What did the Canadian government say? Did it say that it was going to exempt *Time* and *Reader's Digest*?

Mr. Sharp: Mr. Speaker—

Mr. Diefenbaker: There is simply the statement—is the Minister of Trade and Commerce aroused, too?

Mr. Sharp: Mr. Speaker, on a point of order, I would be very happy to answer all the questions put by the Leader of the Opposition at the proper time.

Mr. Diefenbaker: Good. In the meantime, if the minister will keep silent I will finish my argument. We should like to know what was said in this regard. This generalization is no good. Are *Time* and *Reader's Digest* still to be exempt or not? When I look over this statement it is one of bland generalization and does not represent anything like the fulsome description given to it by the Secretary of State for External Affairs. The very matters mentioned here are still objects of deep disagreement between our countries, and the house has the right to know what is the meaning of this. Why these generalities? Why did the minister not tell the house exactly what took place, instead of producing a document which is meaningless in its generality?

Mr. Speaker: Order. It being one o'clock I do now leave the chair.

Mr. Douglas: Mr. Speaker, before you leave the chair could it be agreed that the communiqué will be printed as an appendix to *Hansard*?

Mr. Speaker: Does the house so agree?

Some hon. Members: Agreed.

[*Editor's note: For text of communiqué referred to above, see Appendix "A".*]

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, when the house rose at one o'clock I was about to make a comment on the statement which had been made by the Secretary of State for External Affairs (Mr. Martin).

Like the hon. member for Red Deer (Mr. Thompson) I had not received a copy of the communiqué to which the Secretary of State for External Affairs referred, but I have since secured a copy. I would like to say that I think these meetings between ministers of the Canadian government and their advisers, and representatives of the United States government and their advisers, serve a very useful purpose.

Whether there has been agreement or not on all the questions discussed, the mere fact that there has been an exchange of views and a better understanding of the position which each government takes vis-à-vis certain problems, gives a better chance for some viable solutions to be worked out between the two governments. Any two countries that are as closely intertwined economically, and as closely located geographically as Canada and the United States, have to work out the answers to their problems around the council table.

These problems cannot be solved at arm's length, and certainly not by name calling or vituperation. They have to be worked out on the basis of consultation and an exchange of views. Of course that does not mean Canadian representatives need to surrender on every issue that comes before them, but it does mean that meeting with representatives of the United States government can be the beginning of a great deal of progress in Canadian-United States relations.

I have not a copy of the minister's statement, but I notice the communiqué mentions several important matters and I want to say a few words briefly about each of them. First of all it refers to the very important matter of trade and says:

> The United States members expressed agreement with Canada's desire to improve its current account through an expansion of exports and stressed the importance of adhering to the principles of non-discrimination in achieving this objective.

This is important in a country like Canada where 68 per cent of our imports come from the United States, and 62 per cent of our exports go to the United States. There is probably no country in the world which has as vulnerable an economy as ours, and is so completely dependent for its economic prosperity as is Canada with reference to its trading relations with the United States. But though this statement is made in the communiqué, the fact remains that after saying both parties stressed the importance of adhering to the principles of non-discrimination, it was good to see that the Canadian ministers expressed concern over increases in levels of certain United States tariffs, arising from recent reclassification of United States

tariffs, including rates on parts and components, and urged the United States government to take action to correct this situation.

It seems to me, Mr. Speaker, that this is an important matter which ought to concern the government; that it is not enough to talk in generalities about removing discrimination if, at the same time, by process of reclassification, Canadian exports to the United States are adversely affected.

I was also interested in the fact that the two governments are going to establish "a joint working group to prepare a program of studies relating to trade in all kinds of energy between the United States and Canada". It is important that the Canadian government keep in mind that Canada has great natural advantages in the matter of sources of energy, and that it ought not to lose these natural advantages.

The tendency in the Canadian economy has been for a major part of our investment to be in the extraction industries, and we are exporting raw materials and increasingly exporting energy in various forms. This does not, of course, make for the development of secondary and tertiary industries which are the large employers of labour. It would be a sad thing if we were prepared to accept the role of being a mere supplier of raw materials, a country of extraction industries with a relatively small labour force, just to supply our powerful neighbour to the south with raw materials and the energy to turn them into manufactured products.

I had hoped that somewhere in the statement given by the government there might have been some remarks from the Minister of Finance, because I think all hon. members were greatly concerned about the statements made by the United States under-secretary of state, Mr. George W. Ball, at Harriman, New York, on April 26. I am not going to quote from that speech, but it is very difficult to separate Mr. Ball and his official position as a spokesman for the United States government.

I do not at all question Mr. Ball's right to take the strong position which he did. I only hope that the Canadian ministers took an equally strong position with Mr. Ball and those associated with him, because Mr. Ball made it very clear in his address at Harriman, New York, that any changing of the ground rules could have substantial repercussions, and he made particular mention of:

> —measures by governments designed to induce a change in the character of investment from equity to debt...or to refuse national treatment to capital that had earlier been welcomed, or to bring about the transfer of production from one country to another.

—which he says—

> —can be seriously disruptive.

This, it seems to me, challenges the whole question of Canada's right to direct its trade program, its tariff policy and its investment policy with a view to strengthening the Canadian economy. If Canada is ever to be other than just a branch plant economy, if it is to develop a strong economy capable of exporting into the markets of the world, it is going to have to re-examine its tariff policy, its investment policy and the allocation of its resources.

I hope that the Canadian representatives to the conference of recent days made this perfectly clear to Mr. Ball and to the other representatives of the United States government, that Canada must increasingly gain a greater measure of control over its own economy, that this is not a reflection on the United States, and is not the result of any attempt to be a bad neighbour. It is simply a desire on the part of the Canadian people to retain their own identity and their economic and political independence.

In spite of Mr. Ball's little lecture to us in his speech when he said—

> —the maintenance of political independence, however, depends more on the state of the national will than on economic relationships—

—I would say, if our independence depends on the state of the national will, then it is the responsibility of the government to make it very clear to the United States that it, and the Canadian people, have the will to build a strong, viable Canadian economy that is not completely dominated by outside investors, and that will never become an economic satellite of any power on the face of the earth.

One other item in this communiqué says that the United States members expressed their concern over possible Canadian measures which might adversely affect certain United States publications. I had hoped that the Canadian government would have made some elaboration on this point, and I hope that before too many days elapse the Prime Minister will tell us the intention of the government with respect to the legislation which has been announced, whether the government intends to water down further the recommendations of the O'Leary commission. I should like to know whether or not it was made clear to the United States that they themselves, if the shoe were on the other foot, would not condone for a moment the

control of their magazine and periodical fields by outside publishers as is the case in Canada.

I hope the Canadian government has made it abundantly clear to the United States that, contrary to what Mr. Ball said in his speech of last week, we are not seeking to cramp ideas, we are not seeking to prevent the exchange of points of view. What we are seeking to do in Canada is to retain a Canadian identity and to adopt the same policy with respect to outside periodicals that the United States itself applies in the field of publications.

One last thing, Mr. Speaker. It is not in the communiqué, but I gather from the closing words of the statement by the Secretary of State for External Affairs that some mention was made of a discussion having been held with respect to southeast Asia. The minister did not elaborate on that. He simply said that certain American officials had recently visited southeast Asia and had made a report to the group. The fact remains, however, that American official's have stated publicly in recent weeks that they have been bringing pressure to bear on the Southeast Asia Treaty Organization asking them to supply forces for Viet Nam. It is true they conceded that since Canada was a member of the truce team in that area our contribution might be limited to medical and hospital services. I want to say now and to give warning to the government that any attempt to involve Canada in the struggle which is going on in Viet Nam will certainly be resisted strongly by the members of this party. If Canada wants to play the role of being the fly on the flypaper I do not know any better way to do it than to become involved in the Viet Nam situation.

We have had no opportunity to study the communiqué, Mr. Speaker, and I merely make these few remarks with reference to it. I do think, however, that the government would be well advised to provide an opportunity at an early date for a fuller discussion of the question of United States-Canadian relations and that we might have from the respective ministers a fuller account of the position which Canada took at this conference and the position which the Canadian government intends to take in the immediate future regarding the problems that were discussed at the conference.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, it is not my intention to discuss at any length the details of the statement made by the Secretary of State for External Affairs this morning. However, I should like to make some general observations with respect to the purpose of the discussions that have been held recently. If we are to maintain the happy relations we have enjoyed so far with our neighbours to the south it is imperative that we meet with them, discuss our problems together and work out harmonious solutions. I believe there are many areas in which conflict has arisen and in my view it is always the better part of wisdom to endeavour to resolve these conflicts of views before they reach the point where tensions develop and amicable relations are threatened.

I do not think that recriminations and counter-recriminations in any field ever contribute to a mutually satisfactory solution of problems. Therefore I would say that the occasions for meetings which are presented, such as the meeting recently held with United States officials, are certainly most worth while.

Some reference was made in the minister's statement this morning to trade discussions having to do with tariffs, etc. May I say there is real uneasiness, especially in agricultural circles, as to the possible outcome of the discussions having to do with tariff arrangements. I am thinking particularly of the people engaged in the growing of fruits and vegetables. They are most concerned about the possible outcome of these discussions. I am sure that those who are representing Canada will see to it that Canadian interests are protected in every possible way and that no action will be taken that will militate against the best interests of our own producers. I just wanted to make these general references and observations with regard to the type of discussions held and to urge that such discussions be continued and extended as need may arise.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the negotiations which are taking place between the United States and Canadian authorities with regard to trade certainly hold an increasing importance for the future of the Canadian economy.

It is understood that we must come to terms with the Americans, and it is interesting to note that this government is taking action in order to improve, as much as possible, our trade relations with our neighbours to the south. We must not forget that we possess, in Canada, natural resources which have great attraction for the Americans. But, for all that, the export of those natural resources should not be allowed for the sole

benefit of our neighbours to the south and at the expense of the Canadian people.

When one considers, for instance, that the iron ore extracted in our country and more particularly in the province of Quebec is being exported to the United States as raw materials at a ridiculously low price and that it is processed in that country to be resold here afterwards, no wonder our country has a trade imbalance with the United States. On the other hand, if we sold those raw materials at a reasonable price and if they were processed here before being sold to the United States, our trade imbalance would disappear.

Of course, we are all for trade with the United States, but we do not want it to be one-sided, always to the advantage of the United States and to the disadvantage of the Canadian people. We want the Canadian government to take the necessary steps, and it seems to me that those matters should be studied carefully when federal-provincial conferences are held, so that our natural resources will not be left to foreigners for a mere pittance, as I said a while ago, but will benefit the Canadian people.

We need some American products that we do not manufacture here, but we should try at least not to give the United States the raw materials they lack and depend on to maintain their industry and keep their economy flourishing.

Let us think also of promoting the Canadian economy by making transactions in the interest of the Canadian people, not always for the benefit of foreigners.

[*Text*]

LABOUR RELATIONS

MARITIME UNION TRUSTEES—SUGGESTED RECONSIDERATION OF MCLAUGHLIN APPOINTMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I do not know who is acting as Prime Minister—

Hon. J. W. Pickersgill (Minister of Transport): I am acting in the place of the Prime Minister.

Mr. Diefenbaker: Now that Hal Banks has been convicted and the matter has been concluded in the courts, questions may be asked which could not have been asked earlier. I should like to direct to the Acting Prime Minister the words of the special federal prosecutor, Jean Martineau, Q.C. in the course of his argument toward the conclusion of the trial. Mr. Martineau characterized Banks as an "uncivil and dictatorial" man who is still a power in the affairs of the S.I.U. "What existed before, still exists," he said. "Banks controlled the union and found himself controlling each man's job".

In view of this considered opinion on the part of the federal government's special prosecutor, I should like to ask the minister whether those words should be brought to the attention of the board of trustees to the end that they reconsider having Leonard McLaughlin who, up to the present time according to the Norris report, has been a puppet of Banks, placed in a position of responsibility as president of the union.

Mr. Pickersgill: Of course, I have not had the advantage, as the right hon. gentleman has, of seeing the words which he quoted—and I am not questioning them at all—but I am sure the Minister of Justice will be getting a transcript of those words and if the board of trustees have not seen them already I am sure we would be glad to make sure that they do see them. However, I do think it would be presumptuous on the part of the government or, indeed, on the part of any member of the house, to attempt to usurp the functions which were given to the trustees by a vote of this parliament.

Mr. Diefenbaker: May I put it to the minister that there is no usurpation in making a suggestion when that suggestion is based on a statement made by the special prosecutor appointed by the Minister of Justice.

Mr. Pickersgill: I think I indicated that steps would be taken to make sure that the board of trustees are acquainted with what the special prosecutor said. But I do not think we should attempt to substitute our own judgment for theirs.

HAL BANKS—POSSIBLE CANCELLATION OF IMMIGRANT STATUS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I wish to direct a question to the Minister of Citizenship and Immigration. Is it the intention of the minister to take action to cancel the landed immigrant status of Hal C. Banks in view of the judgment of the court?

Mr. Speaker: Important as this question is, and despite its great general interest, I really do not think the minister should be called upon to answer it without notice. May I, therefore, suggest it be put on the order paper?

Inquiries of the Ministry

AIR TRANSPORT

INQUIRY AS TO FORMULATION OF NATIONAL POLICY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to direct a question to the Minister of Transport arising out of the statement he made last night regarding national transportation policy. Before I do so, I wonder if I might ask if he intends to put that statement on record, either by tabling it or as an appendix to *Hansard*, or by reading it, so that we may have something definite to deal with. All we have at the present time are press reports which may or may not be an exact account of what the minister said.

But to proceed with my question, the minister made three points. I shall not take up the time of the house by enumerating them, but the second was that the main lines of T.C.A. must be safeguarded by protecting their economic position. The third was that the smaller regional carriers would be encouraged to get a larger share of the load, and it is suggested in this press statement that this would be achieved by handing over to them some of the profitable T.C.A. runs. I should like to ask the minister this: How would it be possible to protect the economic position of T.C.A. while giving away some of its profitable lines?

Hon. J. W. Pickersgill (Minister of Transport): I should be very happy if I were permitted to table this statement, or have it appear as an appendix to *Hansard*—if it can be called a statement. It is not a statement at all.

An hon. Member: Policy.

Mr. Pickersgill: It is not policy. It sets out the principles on the basis of which the government hopes, in the fulness of time, a policy will be evolved. That policy has not yet been evolved.

The question asked by the hon. member for Burnaby-Coquitlam was in the nature of a debating question and there would be some doubt in my mind whether it would be appropriate for me in those circumstances to answer it, especially as it involves highly complex matters. But I think he will find, when he reads the actual statement I made, that there is nothing in it anywhere about transferring any lines from any one company to any other air lines.

Might I have consent to putting the statement on record?

Mr. Speaker: Does the house give consent?

[Mr. Speaker.]

An hon. Member: As an appendix to *Hansard.*

Some hon. Members: Agreed.

Mr. Pickersgill: Can I keep it for a minute?

Mr. Douglas: A supplementary question. Would the minister care to elaborate on the first point in this statement with reference to the merging, in respect of their overseas or international routes, of C.P.A. and T.C.A.? Is this to be done by merger or by allocating certain routes one to the other?

Mr. Pickersgill: I think, once again, that when the hon. gentleman reads the statement he will see there was nothing about a merger in it as the only possible course. May I point out that three different ways of achieving the object in which the government was interested were suggested. One is amalgamation, one is partnership and the other is a clear geographical division of fields of operation.

Mr. Douglas: Has any decision been made as to which of these choices the government proposes to follow, or is the matter still in the discussion stage?

Mr. Pickersgill: That is precisely what I said at the beginning of the day. If there had been a decision, I take it that would have been a policy. In fact, we have asked the two main carriers to discuss these various possibilities and see if they can make some suggestion to the government on which they could agree. I think that is a most sensible way in which to proceed, instead of the government trying to appear all-wise and lay down a dictate to the air lines.

Mr. Diefenbaker: They certainly do not appear all-wise.

Mr. Erik Nielsen (Yukon): A supplementary question. I have read the minister's statement and I base my question on the second clause of the policy statement which found its way into the hands of the press. Is it not a correct interpretation of that statement to say that clause 2 means, in effect, that anything which savours of competition with T.C.A. or which is likely to prejudice its balance position, is to be choked off?

Mr. Pickersgill: That is not a correct interpretation, but the hon. member is a free member of a free parliament—and I hope some of the rest of us will be regarded in the same way. He is perfectly capable of placing any kind of interpretation he likes on those words; but as far as I am concerned the words speak for themselves and I do not think there is any need to interpret them.

Mr. Nielsen: As I understand the second clause of the statement, no policy which will place T.C.A. in the red is to be followed by the government, and the operations of airlines other than T.C.A. will be curbed if they have that result?

Mr. Pickersgill: I wonder sir, if these questions—

Mr. Speaker: Order. I might point out that I cannot rule on questions until I have heard them.

Mr. Pickersgill: I apologize.

[*Editor's note: For text of statement referred to above, see Appendix "B".*]

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): I have a further supplementary question to address to the Minister of Transport with regard to his broadcast statement. Is he aware that Mr. DePoe, the interviewer on the show last night, has indicated in a written statement that the hon. gentleman was invited to appear on the C.B.C. news because of an expected policy statement to be made in the House of Commons?

Mr. Pickersgill: Of course, I regard Mr. DePoe as a free citizen of a free country and I do not think I am responsible for what he may have said.

[*Later:*]

Mr. Nielsen: I have a further supplementary question to direct to the Minister of Transport. In view of the minister's complaint, which was aired widely this morning on the C.B.C. news, that he had no opportunity to make an announcement concerning air transportation policy in parliament, how does he reconcile this position with the disclosure that his statement of policy has been available since last Tuesday at least, the day on which the *Financial Post* went to press with substantial details of his policy supplied either by the minister or one of his officials?

Mr. Pickersgill: I do not know whether Your Honour would feel it proper to prolong a debate which, I thought, had been concluded by the house. But, I repeat, I had no statement of policy to make. When there is a statement of policy to be made, if the house is sitting I will make it in the house.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Secretary of State who is responsible for the C.B.C.

Could the minister assure the house that he had not been in contact with a C.B.C. employee or official so as to permit the Minister of Transport to appear on the C.B.C. network last night?

Hon. Maurice Lamontagne (Secretary of State): Yes, Mr. Speaker.

[*Text*]

Mr. Pigeon: We are not sure.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question arising from the statement of policy, or non-policy, the Minister of Transport made concerning air lines. I wonder if the minister or the house leader can inform us whether the transport estimates will be coming before the house soon, so that this matter can be fully debated.

Hon. Guy Favreau (Minister of Justice): Yes, Mr. Speaker, the Department of Transport is one of the three departments whose estimates will come before the house on the occasion of the supply motion scheduled for Monday.

Mr. Nielsen: Over the C.B.C., or in the house?

FINANCE

REFERENCE TO COMMITTEE OF REPORT OF ROYAL COMMISSION

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in the absence of the Prime Minister, I would like to direct my question to the Minister of Transport who, as I see, is acting for him this afternoon. Here is my question. Following a statement made a few days ago by the Minister of Finance, we would like to know whether the report of the Porter commission on banking and finance will be deferred to the committee on banking and commerce, and thereby to parliament. Has the government reached any decision in this regard?

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): I think this is the kind of question that the Minister of Finance should answer himself.

Inquiries of the Ministry

NATIONAL PARKS

WOOD BUFFALO—REPRESENTATIONS RESPECTING TRANSFER TO PROVINCE

On the orders of the day:

Mr. Lawrence E. Kindt (McLeod): In the absence of the Prime Minister I should like to ask the Minister of Transport, who is acting for him, a question concerning Wood Buffalo national park. Is it the intention of the government to transfer all or part of this park to the control of the Alberta government? Would the acting Prime Minister inform the house as to the policy of the government on this matter, and tell us exactly what the situation is?

Some hon. Members: Order paper.

Mr. Speaker: Would the hon. member put this question on the order paper?

SHIPPING

REPORTED RECOMMENDATION FOR INCREASE IN SEAWAY TOLLS

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I have a short question for the Minister of Transport. Could the hon. gentleman advise us if the St. Lawrence seaway authority has made a proposal to the government for an increase of 10 per cent in the tolls on the seaway and, if so, when does he expect a decision or statement of policy will be made?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the St. Lawrence seaway authority has made no such recommendation.

NEGOTIATIONS WITH U.S. RESPECTING GREAT LAKES WATER LEVELS

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a question for the Secretary of State for External Affairs arising out of the statement he made earlier this morning, but in his absence perhaps I should direct my question to the acting heir apparent—

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I suggest that the hon. gentleman direct it to the Acting Secretary of State for External Affairs, the Minister of Industry.

Mr. Martineau: Very good; I will do that. The minister in his statement this morning mentioned that he had discussed the question of the great lakes water levels with his ministerial colleagues from the United States. Is the minister in a position to say whether any specific proposals in this regard were submitted by the United States delegation for consideration by the government?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, no specific proposals were advanced by the United States delegation.

Mr. Martineau: Could the minister, then, give some enlightenment as to the nature of the discussions which took place on that subject?

Mr. Drury: Mr. Speaker, I think the hon. member will recognize that these were private consultations and discussions and one should do no more, in reporting them, than merely give an outline of what was discussed and the general conclusions reached. The Secretary of State for External Affairs has indicated that the question was raised and examined but, as I have just said, no specific solutions were proposed.

TRANS-CANADA HIGHWAY

MONTREAL—INQUIRY AS TO CHANGE OF ROUTE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Minister of Public Works; I have given him notice.

Does the minister anticipate a change in the layout of the trans-Canada highway in the eastern section of Montreal?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker—

[*Text*]

Mr. Speaker: Order. I am sure, in view of the opportunity which will be given shortly this afternoon to get all the information, the hon. member will not mind my suggesting that he wait until the estimates are up for consideration.

CANADIAN NATIONAL RAILWAYS

REQUEST FOR IMPROVEMENT IN POSITION OF RETIRED EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. In view of his reference this morning to his having seen the president of Canadian National Railways,

may I ask the minister whether he is now in a position to answer my question of February 27, March 20 and April 15 concerning the possibility of improving the pensions of Canadian National Railways' employees who have already retired.

Hon. J. W. Pickersgill (Minister of Transport): Yes, Mr. Speaker, I am happy to say I am able to answer that question, although I wonder whether it falls within the hon. gentleman's definition of urgency which he put forward. As the answer is very short, I will give it. It is that I spoke to the president about this and he said he will be glad to be questioned about this matter when he appears before the parliamentary committee.

ADMINISTRATION OF JUSTICE

JULES SIOUI—REQUEST FOR CONSIDERATION OF CASE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Justice. Is the minister aware of the fact that a resident of Quebec has been held in jail for seven months following his sentence of one month's imprisonment for removing an electoral list and if so, what steps have been taken to correct this grave injustice?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I answered a similar question yesterday with regard to Jules Sioui.

FISHERIES

CONSERVATION MEASURES TO PREVENT KILLING OF SEALS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct a question arising out of earlier questions to the Minister of Fisheries in connection with the amount of correspondence that all of us are receiving respecting the urgency and importance of legislation to put an end to the inhuman method of killing seals. The minister said the other day that he would be in a position in a day or so to make a report. I wonder whether he is now in that position.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, in reply I wish to agree that there has been exceptional interest shown this year particularly in the methods used to kill seals. I have stated in the house before that some of the representations that have been made may have been somewhat exaggerated. What I meant by this was that these methods shown on film do not represent those used by the great majority of the fishermen engaged in the sealing operation. I have said that more restrictive regulations will be brought in before the opening of the 1965 season. This we intend to do. Those new regulations will deal with better conservation measures and better control of the methods used for the killing of seals. With this in view, and in order to get full information, I have called a meeting at Moncton on May 20 of those interested in the sealing operation. A few days ago I received representations from a delegation of the S.P.C.A. and have outlined to them what we intend to do, and they have appeared to be entirely satisfied with our intentions.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, in view of the statement just made by the minister that new regulations will be brought into effect for the 1965 sealing season, would the minister when drafting these regulations give some consideration to prohibiting the slaughter of seals through the use of helicopters? It would appear that this method is most cruel in that helicopters, when used to catch seals, disturb the females even before the young are born. I think the usual method could be maintained, with some limitations. But I would ask that the minister give some consideration to prohibiting the use of helicopters in the slaughtering of seals.

Mr. Robichaud: I cannot say at this time, Mr. Speaker, that the use of helicopters will be prohibited. Helicopters have been used to transport the sealers to the site of operation. The whole operation, whether it is carried out with the use of aeroplanes, helicopters, vessels, or whatever it is, will be taken into consideration; but it would be improper for me to state at this time exactly what decision will be reached, because, as I have said, such decisions will be reached after consultation with those interested in this industry, which means a revenue of $1½ million a year for certain areas of the Atlantic provinces.

Hon. J. A. MacLean (Queens): A supplementary question, Mr. Speaker. I presume that the minister is taking under serious consideration the recommendations of the fisheries council of Canada that aircraft of all types be prohibited from being used in seal hunting?

Mr. Robichaud: Again, Mr. Speaker, I want to say that every representation that has been

made to us in this respect will be taken into consideration. However, it would be improper for me to make a definite commitment at this time as to what will be done.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Some weeks ago I asked the minister if he would procure a copy of the film which it was alleged certain newspapermen in Montreal had taken, showing that baby seals were being skinned alive. The minister promised to secure copies of this film. I wonder if this has been done. If so, and if the film has been seen, have the facts alleged turned out to be true?

Hon. H. J. Robichaud (Minister of Fisheries): As I promised the house Mr. Speaker, we attempted to obtain a copy of those films. They were not available at the time, so I sent officials of my department to see the films in question in Montreal. They have seen them and have reported to me what they saw. I understand that another film will be shown on the C.B.C. on the 17th or 18th of this month. I cannot but emphasize the fact that what is shown on these films does not represent the entire sealing operation. It represents what is being done by inexperienced sealers who have been engaged in such operation only within the last year or two. Those are the people we want to bring under control, so that these inhuman methods will be stopped.

Some hon. Members: Hear, hear.

TRADE

GATT—PERSONNEL OF CANADIAN DELEGATION

On the orders of the day:

Mr. Fred F. Stenson (Peterborough): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce. Who will be leading the Canadian delegation at the GATT meeting in Geneva, and will the government be represented there by a cabinet minister?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I should like to inform the hon. gentleman that I shall have the honour of leading the Canadian delegation at the meeting which opens next Monday. I might say, Mr. Speaker, that I have been looking for a pair.

[Mr. Robichaud.]

RETALIATION BY U.S. IN RESPECT OF FISH PRODUCTS

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce in the absence of the Minister of Finance. Could the minister say whether he has received an assurance from his United States counterpart or from the minister concerned that the United States will refrain from any retaliation of any sort by way of duties or other means imposed against fish products if the Canadian government takes action in the future under the legislation which has recently been introduced in the Senate?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, this subject was not discussed during the series of meetings which concluded yesterday.

POWER

PASSAMAQUODDY— REQUEST FOR REPORT ON NEGOTIATIONS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Fisheries. Can we expect a further detailed report on the Passamaquoddy talks, particularly in view of the statements that were made before the talks began that Canada's interest was lagging, if not delaying, progress? When will such a report be made?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I want to assure the hon. member that there is no lagging on the part of the Canadian government. As was stated yesterday, no involving commitment has been made by either country, the United States or Canada, on the 'Quoddy project. On Wednesday afternoon I met with the United States secretary of the interior, Mr. Udall, and we discussed that aspect of the project that could affect the fisheries in the bay of Fundy. We both agreed that if and when it is decided to proceed with this project, it will be preceded by a thorough study of its implications on the fisheries of the bay of Fundy, taking into consideration the interests of the province of New Brunswick and those of the state of Maine.

Mr. Bell: Can we be assured that no statements will be made in Fredericton or Washington unless they are made simultaneously here? I refer to official statements in this connection.

Mr. Robichaud: Mr. Speaker, I have no control over statements that might be made in Washington or in New Brunswick, but I want to assure the hon. member that if such a statement has to be made in which the Canadian government is involved, it will be made.

BUSINESS OF THE HOUSE

MEETING OF COMMITTEE ON PRIVILEGES AND ELECTIONS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Justice, in his capacity as house leader.

In view of the fact that the chairman of the committee on privileges and elections seems to be prevented from presiding over meetings, can the Minister of Justice tell us when that committee will meet to study the matters referred to it?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, we hope that this committee will meet around the middle of next week.

[*Text*]

SUPPLY

The house in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF PUBLIC WORKS

1. General administration, including grants as detailed in the estimates, $12,114,500.

The Chairman: This item in the main estimates may be found at page 380 of the blue book, with the details at page 383. Shall the resolution carry?

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Chairman, I have the honour to submit to the house my estimates for the year 1964-65. I propose to proceed as follows: I shall make certain general observations on the estimates, as submitted, and speak briefly on the additional responsibilities entrusted to the Department of Public Works; I shall do it in English. I will then put forward general and personal ideas, after which I will invite my honourable colleagues to make comments thereon.

I do not intend at this stage to discuss any particular items listed in those estimates. I shall make an important additional statement on the item concerning the national capital commission.

[*Text*]

Mr. Chairman, the departmental estimates for 1964-65 total $201.9 million, and this represents an increase of $28.2 million or 16.2 per cent over the 1963-64 estimates. Of the increase, $15 million reflects new responsibilities being assumed by public works from the Department of National Defence. They are, first, the northwest highways system, $10 million, and second, Fort Churchill, $5 million. A further $10 million increase results from the extended application of the trans-Canada highway contribution. Incidentally, Mr. Chairman, since on Tuesday last I read a statement in the house on the trans-Canada highway program and policy, I do not intend to deal with this matter any further today unless hon. members would like to ask a few questions about it.

An amount of $2.7 million of the increase can be identified with two major construction items; building construction, which is up nearly $2 million, and harbours and rivers up nearly $1 million. The balance is a net increase arising from normal adjustments of other items.

Before proceeding further, Mr. Chairman, I should like to mention a certain change in the way in which the estimates are presented this year. Hon. members will no doubt have noticed that there has been a considerable simplification of the vote structure for this department. This rearrangement will be noticed throughout the estimates of all departments and reflects the wish of the government to make the estimates more comprehensive to parliament. Hon. members will recall that these changes were recommended by the public accounts committee in its third report to the house in December 1963.

I should now like to deal as briefly as possible with some of the features of the new year's estimates. As indicated above, a significant change has occurred in the transfer of the northwest highways system and the administration of Fort Churchill to this department. The responsibility for the highways system is one which I particularly welcome because of the importance of its communication facilities to Canada. The staff of public works is now in the area and it is the government's intention to continue the high standard of maintenance which has been achieved by the Department of National Defence. At this stage, however, our main concern is to achieve in the most orderly way possible this transfer of responsibility from

the Department of National Defence. I know there is considerable interest in the long-term government plans for this highway, the length of which is approximately 1,200 miles, representing nearly the distance from Halifax to Toronto. As I said in the house, we are making a complete study of this situation to determine the need for and feasibility of the rebuilding and paving of this highway. We are concerned not only with the total cost but also with the time schedule within which this could be effectively achieved.

Concurrently with this, public works has made arrangements with the Department of Northern Affairs and National Resources, who have a special interest in the development of the territory, to undertake an economic appraisal of the benefits to Canada during the rebuilding, upgrading and paving program. When in possession of this information we will be able to explore with other governments any suggestions or proposals which they may wish to make concerning the improvement of this highway.

At this point, Mr. Chairman, I should like to say a word about the Haines road, which is about 160 miles in length of which 100 miles is in Canada and the balance in the state of Alaska. A great desire was expressed by the state of Alaska to keep this highway open on a year round basis, and as an experiment the Canadian government agreed to co-operate with the state of Alaska in keeping this road open during the past winter. This work is still in progress at this date and the department is now collecting and examining information and figures resulting from snowplowing operations throughout the winter, as well as the service provided. In light of this experience we will be in a position to decide whether it is advisable to give further consideration to this type of operation. It might be of interest to hon. members to know that up to 600 inches of snow can be expected in the area during winter.

The other major transfer of responsibility is the turnover of Fort Churchill to the Department of Public Works. Our main interest at this time is to protect the substantial federal investment in the area in view of maintaining the existing plant and utility and at the same time, consider with other civilian departments, alternative uses to which these facilities may best be put. We are also hoping for an improved co-ordination between Fort Churchill and Churchill townsite itself, which will eventually permit the province to carry out its constitutional responsibilities in the area. I must say that in that respect we have made an official approach to the province.

Now, Mr. Chairman, I would like to deal with another important matter which was raised by several hon. members, particularly the hon. member for Nanaimo-Cowichan-The Islands, the hon. member for Peace River and the hon. member for Cariboo. It has to do with the Peace river power development. As the hon. member for Nanaimo-Cowichan-The Islands mentioned, British Columbia did not apply for a licence for a dam on the Peace river, as it argued that there was in fact no navigation on the river in the relevant area.

Hon. members will recall that months ago we had secured an opinion from the Department of Justice to make sure that at the point of dam construction the Peace river was navigable. The question has also been raised as to whether the legislation as it stands is binding on the crown in the right of a province. These are questions of legal interpretation as to the precise terms of the Navigable Waters Protection Act. There are a number of amendments to that act that would be desirable, and when they are brought forward action will be recommended to remove the uncertainty to which I have referred, and to make clear the extent of the application of the act. In the immediate case, as the project is now under construction, a licence cannot be applied for, under the terms of the act, until the work is completed.

In the interim the main concern is to ensure the protection of navigation, particularly downstream on the Peace river where it is of some present importance, and on the Slave river below the Peace river. This can be achieved by co-operation between the British Columbia hydro and power authority and the Department of Public Works.

On April 6, 1964, the deputy minister of the Department of Public Works wrote to the chairman of the British Columbia hydro and power authority indicating the department's concern for the preservation of navigation rights on the Peace river and the Mackenzie river system. In his letter he requested information on the proposed schedule of filling for the reservoir and the proposed method of operating the power project. I am pleased to advise the committee that the chairman of the British Columbia hydro and power authority has assured the department of the co-operation of the authority. The requested information is being prepared and will be forwarded as soon as it is complete.

It is intended to review this information with the British Columbia hydro and power authority to make sure there is no risk of prejudice to navigation and, as I said previously, amendments to the act would be desirable to remove the uncertainties; and we intend to introduce such amendments. In the meantime there exists complete co-operation with the British Columbia hydro and power authority to ensure security of navigation in the area. I hope this information will be found satisfactory by those hon. members most interested in the matter.

I would now like to deal with a very acute problem in which not only my department but also some of my colleagues, particularly those representing affected areas, are taking a great interest. It is the problem of water levels in the great lakes, and particularly in lake Huron. As hon. members know, the Department of Public Works has a responsibility to undertake dredging in navigation channels and public harbours. Our program, however, generally deals with what is internationally known as normal water levels. Unfortunately from time to time cyclical situations, which are different from the normal, occur, and at the present time the low levels in some areas have created serious problems for some industries requiring navigation facilities in certain harbours.

As was mentioned by my colleague, the Minister of Transport, thorough studies on the control of water levels are under way on an international basis, but it would be unrealistic to expect that early solutions can be achieved. We are therefore faced with a great demand to increase our dredging in areas affected by this problem. We are of course sympathetic to these requests, but I must point out that in many cases dredging itself is no practical solution, particularly where a wharf design is based on a normal water level. In some cases dredging to a greater depth would cause the collapse of a wharf facility, or the elevation of a wharf may be such that the greater depth of dredging would render it practically useless. Hence, in some cases dredging alone is not the complete solution to the problem. A practical solution therefore involves not only dredging but also complete replacement or modification of wharf facilities.

In other cases, dredging to a greater depth in the navigation channels simply could not be maintained, or else would be impractical in relation to existing elevations of lake beds and soil conditions. This is therefore a difficult and complicated problem, but so far as we can we will take all steps to deal with it. We are now receiving our field information on harbours, with respect to locations where additional dredging may prove effective, and I propose to present these dredging projects to my colleagues not only as emergency requirements but as priority projects.

I would now like to deal with a last topic in English before reverting to certain special aspects of the operations of the department, which I intend to deal with in French. There has been a considerable interest in developments on parliament hill, no doubt stimulated by the work which has been done to provide facilities for parliament in the west block. My department has been working with the Speakers of both houses, and their committees, on a program for renovation within the centre block, which we all recognize is urgently needed, both from the point of view of the amount of accommodation provided for members of parliament as well as the standard of the facilities.

This program is one which must receive very careful and detailed study, particularly where renovations must be carried out consistent with the operation of parliament. There are many things to be done and to be considered, including a complete revamping of the electrical and mechanical services, which is badly needed if we are to have a modern air conditioning system, and adequate translation recording services.

Planning for these alterations is very complex, as all these things must be scheduled so as to permit us to continue our deliberations. For example, even the ceiling over our heads is in urgent need of repairs. There must be replacement of the leaded glass in the ten large windows on the east and west sides of this chamber where we intend to instal a coloured, opalescent glass to permit light to enter the chamber but eliminate the glare. This would permit the removal of the canvas awnings over these windows. The time needed for these alterations might be a matter of months.

Our planning extends to the east block, in which some of the alterations and provisions for accommodation are involved with the provision of a new headquarters building for external affairs, recently announced.

In some other aspects earlier solutions are possible, such as for the parking problem with regard to which plans are now in hand and being studied for the provision of sufficient space in order to leave the vista of parliament hill free of cars. It is our intention that the work will be put under contract this year.

[*Translation*]

Now, Mr. Chairman, I should like to say a few words concerning our plans for the parliament building. I wish to say how important it is and I know this importance has not escaped anyone's notice.

What is the parliament building, if not the house of the people. So we should have all the facilities to greet the thousands of visitors coming from everywhere, from all provinces in Canada. No complaint should ever be heard that we have too many visitors. The public must know that here they are at home and we must make the necessary improvements on parliament hill and the surrounding grounds so that people will feel at home and so that when they leave they will be proud of their parliament. I suggest this is important, not only because of the problems we must deal with in this year 1964, but because in 1967 this national capital and this parliament hill will be stormed. We should make plans to get ready, so that the people who come here will take pride in what they have seen when they leave.

I now want to say a few words with regard to some aspects of the department's responsibilities. When I speak of the importance of the department, I mean the part it is playing and should play in this country's economy. Hon. members know that the Department of Public Works is one of the oldest in the government, but, as Canada develops, the concept of the department must evolve accordingly. For many years the part played by the Department of Public Works remained inconspicuous and static. People got into the habit of considering it as the contracting agency for public buildings, harbour and wharf projects.

I think that the first important development with regard to the part this department was playing about ten years ago, when perhaps the largest project ever conceived and carried out by the Canadian government was carried out by the Department of Public Works, and I am thinking here of the trans-Canada highway, the cost of which, when completed, will perhaps be twice that of the St. Lawrence seaway.

I must tell my hon. fellow members that one of my greatest wishes, as long as I am Minister of Public Works, is to contribute and to associate myself with those who now occupy the higher positions in that department to extend and increase the idea and, therefore, the importance of that department, and the role it has to play in this country's economy.

I think we should take resolute action to the effect of contributing, through major improvements in strategic sites, to the establishment of important industries, which would have repercussions, not only inside our boundaries, but also with regard to foreign trade. Well, that trend has already started; we even have several projects among those submitted to hon. members, which I associate with that new concept of our responsibilities, and I shall name one or two: the Canso project, for instance, in Nova Scotia, which means promoting jointly the establishment of a private business, that is, an ultra modern fishing industry, which will give jobs to several hundred workers.

A private company told us: If the government agrees to build a wharf, a breakwater or agrees to do some dredging according to the plans submitted, we will build there a plant that will give work to hundreds of people.

There is the Cap Noir project which also reflects a similar initiative.

A few days ago there was talk about the Gros Cacouna project indicative also of the new pattern according to which a study is made in a district in order to determine the measures that can be taken to spur economic activity.

There is no need to mention something everyone knows. The lower St. Lawrence region and the Gaspé peninsula are faced with serious problems due to a lack of easy, modern and adequate means of communication.

Concerning the Gros Cacouna project, I wish to say that it is the first stage of several major projects which will not only have a great impact on the economy of the whole area but will also contribute to bring the area out of the economic stagnation in which it has been for too long.

Mr. Chairman, our responsibilities include planning and economy. That is why, as has been suggested in certain circles, it might be desirable one day to change the name of the Department of Public Works for one which would reflect more specifically the various fields of activity in which it is engaged. The names of "planning and works department" or "building projects department" have been suggested.

I hope that my honourable colleagues will not show any reaction as to that.

My colleague, the Minister of Trade and Commerce (Mr. Sharp) will deal during the debate on his estimates, with this important,

this major subject matter—as a matter of fact, the second most important in Canada—namely the tourist industry.

I will have to deal indirectly at this stage with tourism and to say a few words on a matter in which hundreds of thousands and perhaps millions of people in Canada are most interested, namely the marina projects.

[*Text*]

The Chairman: Order. The minister's time has expired, unless he has the consent of the committee to continue.

Some hon. Members: Agreed.

[*Translation*]

Mr. Deschatelets: I thank my hon. colleagues and I shall try not to abuse their kindness.

I was talking about marinas. If we consider what is going on in the United States, we see that there has been in the last years an explosion in the activities consisting in the creation and construction of marinas and also in the dragging of various rivers in order to link them together. That is done jointly with the central government and the local administrations.

I think that investments in the United States, if I am well informed, will reach almost $1 billion for the establishment of marinas everywhere in the country where it would be possible to build them.

In other words, our neighbours to the south consider as highly important the tourist and economic aspects of this question which spur major economic activities.

The idea is not new to us. For several years now we have been wanting to build marinas in Canada. In my opinion, we should not fail to recognize this new type of installation which can and does greatly contribute to such an important industry as the tourist industry.

I wish to point out to the committee that even though we have not yet defined precisely our policy on marinas, we are already quite conscious of the bearing they have on the economy. We believe that when a clear-cut policy is established in that respect, it would be in the interest of all areas in the country if negotiations were undertaken with the provinces to consider the possibility of entering into joint programs to get full benefit from the operation of this new source of activity.

Mr. Chairman, last year while discussing the estimates, some hon. members showed great interest for the improvement of our architectural designs. Having been associated for a few years with the association of architects of the province of Quebec, I cannot be indifferent to this matter which is even more important than some people may imagine.

When we are building a federal building, whether it be in a large city or a small village, we must not forget it will represent the federal government in the area. In my opinion the more we seek to achieve a thing of beauty, something pleasant to look at, if not something expensive, the greater will be the importance of the results. I believe that a little village post office can be such as to create among the people the desire to improve their own homes and to adopt town planning for their locality.

I discussed that question many times with the chief architect of the department. I want to praise here his understanding and his ardent desire to raise the standard of our architectural plans. We are obviously pleased with what is being done, but we can never be entirely satisfied before we have considered the possibility of doing even better. I can assure the hon. members that we have already put the emphasis on this aspect in order to achieve this object.

I thought of and tried to establish a system to show that we are really interested in reaching that goal. We are now examining the possibility that the Minister of Public Works would each year, for instance in December, recognize officially the best plans submitted by architects and engineers during the year and judged the most meritorious. I can assure my hon. friends that if it can be done we shall do it with pleasure.

As far as construction is concerned, permit me to express here a personal opinion. I think that important buildings should not necessarily be erected in the centre of large cities—and I speak here of Ottawa, but I could say the same thing for Montreal, Toronto or Vancouver—because less important municipalities should not be neglected. They, too, are entitled to their share of federal government services.

Mr. Chairman, I should like to say a word here about the problem I discussed a few months ago with the Canadian builders' association and the general association of cement contractors, that of our tender system. We do not know of any better system but perhaps it would be possible to improve it. If you follow the situation closely you will find that sometimes—I would say too often—a contractor who has been awarded a contract by the government is in financial

straits and is unable to complete a project because his tender was too low.

That affects not only the contractor himself, but also the subcontractors and the workers—who sometimes are underpaid or not paid at all—as well as the material suppliers. But what interests us particularly is the quality of the work done. Well, I pointed out the problem but there was never any suggestion to abandon our system of public competitive tenders, and I think it is a good thing for this department which works in close co-operation with general organizations, like the Canadian builders' association, to ask for their advice on matters like these and once again, if my hon. friends wish to make suggestions on that matter, we will welcome them because while we are satisfied with the present situation, we are always prepared to welcome new suggestions which might bring some improvement to our system.

Mr. Chairman, those are the estimates I have the honour to bring before this house and I do not want to stretch the privilege given to me a while ago. I, therefore, submit them to the hon. members for discussion and approval, and I shall appreciate their suggestions which I surely will take into consideration, like all the views they might wish to put forward. I attempted to deal with the main points we never have an opportunity to discuss. Of course, I overlooked individual items, because we will review them and I hope I will be given credit for initiating the discussion on the highest level possible.

I ask my hon. friends to clearly understand that this is a very elaborate and very complex department with much diversified activities and we are the first to admit that. Undoubtedly, several sectors may leave room for improvements; and we shall do it gladly in order to serve the best interests of all Canadians.

Mr. Chairman, a few days ago it was my first anniversary as Minister of Public Works. As a matter of fact, it was at this time last year that I took up my duties. The discouraging thing about it all is that the more I learn about it, the more I realize I have to learn.

However, in closing my remarks I am sure that my hon. colleagues will allow me to join them in my appreciation of the work of all those who have some responsibility in this department: the deputy minister, the assistant deputy ministers, the high officials as well as the employees of lower rank, for their conscientious work. I hope that today hon. members will pay tribute to them for carrying out their duties no matter on what side of the house they are sitting.

[Mr. Deschatelets.]

[*Text*]

Mr. Nielsen: Mr. Chairman, my first words on the minister's estimates, since it is the first opportunity that has been given to any of us to do this, must be of congratulation to the deputy minister. He is a new man in the post, having come from the Department of Veterans Affairs, one who has not only an extremely distinguished war record but also a distinguished record in the public service of Canada.

Some hon. Members: Hear, hear.

Mr. Nielsen: Second, Mr. Chairman, I would like to assure the minister, as I have privately in discussions with him on the telephone and in his office, that we of the official opposition will do everything in our power to assist him in expeditiously passing his estimates through the committee. The minister ranged widely in his opening remarks on the estimates of his department. His department is an extremely important one as is indicated by the amount of money he is charged with spending in the discharge of his responsibilities—well over $200 million. I realize that his responsibilities have been enlarged by the addition of the responsibilities he has mentioned with respect to the assumption of control of the maintenance of the northwest highway system, which passed to him on April 1 of this year from the Department of National Defence, and with the assumption, too, of the responsibility for Fort Churchill. I will be participating again in the discussion on these particular items when they arise, for I am certain the minister is aware of the great importance economically of the work of the maintenance of the Alaska highway to the economy of the Yukon generally and to a goodly portion of northeastern British Columbia. It is extremely encouraging, though, I might say briefly at this point with respect to the northwest highway system, to learn that the improvement and paving of that highway has been the subject of talks between members of the Canadian government and those of the government of the United States.

I am sure all hon. members are aware that representations have been made over the years by chambers of commerce in the United States, Canada, Alaska, and legislatures. These have come from not only politicians but businessmen of note in the whole of western Canada and the United States. So that the progress which is now apparently being made toward coming to some joint agreement for the improvement and paving of the Alaska highway is indeed warmly welcomed.

The minister's remarks concerning the Haines road responsibility, too, were of interest to me, and I draw his attention to the coincidence that I should be leading off the discussion on his estimates, on the part of the official opposition, at a time when two of his added responsibilities happen to be located in my particular constituency. But I would draw to his attention the fact that the 600 inches of snow that he mentioned as falling on this road from time to time, fall in the province of British Columbia and not in the Yukon. This link with tidewater is the only road link which exists between the Yukon and the Pacific ocean. It is an extremely important communication facility and one which eventually we hope will receive the same treatment as the Alaska highway in its improvement and paving.

However, I am somewhat concerned over the cost. I know the government concluded with the state of Alaska an agreement whereby that state undertook to maintain this road during the last winter season at a set cost to the Canadian government of $127,000. I believe the minister will not argue with my statement that the road is going to cost much more than this to maintain. Once the minister is in possession of the full cost figures in this respect, I am rather fearful that the decision will be made not to maintain it next winter, on the basis that it is uneconomic to do so. I hope this will not be the result, particularly in view of the fact that the maintenance of this road on an all-weather basis, as well as the paving of the Alaska highway, was one of those several promises made to the electorate of Pacific northwestern Canada during the last election campaign by the Liberals.

The minister, as I have noted, has an extremely wide responsibility. He has the responsibility of a department which is charged with the construction of wharves and docking facilities throughout Canada, one which provides housekeeping and maintenance services to all departments of government and has the responsibility of acting as the agent for other departments of government in the construction of public buildings. The opportunities for abuses entering into procedures that are adopted by the government in the construction responsibilities I have outlined are many, and unless the most careful watch is kept over the various projects as they are dealt with, these abuses are bound to arise. I will have a few more words to say in a moment in connection with contract tendering policies, because I have one or two suggestions that I thing might be useful to the minister in considering whether a change should be made in the existing system. Before leaving this particular aspect of the minister's estimates, I would like to suggest to him that he be not too quick to take pride in the type, standard and quality of post offices that are being constructed throughout the country. It may not be news to him to learn that in many areas of Canada where these $25,000 post offices are being constructed, the inhabitants of the smaller communities in which they are being constructed refer to them as the Grit biscuit boxes. So the minister perhaps might take a second look at the standard and quality of post offices being constructed, in keeping with the policy of providing these facilities to the smaller communities in Canada.

The minister has said nothing about the progress that has been made with regard to the Saskatchewan river dam, which of course he will recall vividly was commenced under the previous administration after years of dilly-dallying by the Liberals of the day. I think we should have a word from him on that matter. Perhaps we might wait until the specific item is up for discussion. But in view of its cost and in view of its importance to the prairie regions of Canada, and Saskatchewan in particular, I am sure hon. members would be interested in hearing from him on this matter.

I do not intend to comment on his remarks with respect to his plans for parliament hill itself, save to suggest to him that there may also be room for improvement here. A questionnaire was circulated quite recently asking all members whether extra social and recreational facilities could be provided which were not now provided for members of parliament. I am sure the joint committee will in due course communicate the recommendations of their body to the minister.

The minister's comments, too, were very brief concerning the national capital commission. There is a particular matter of great concern to the residents of this area and this city, with which he will have to deal when the item is raised. I am thinking of the future of the air station at Rockcliffe. A good many residents of the city of Ottawa are concerned with the maintenance of this airport as an airport. As I understand it, the eventual program is to completely eliminate Rockcliffe airport, in order to make way for the national capital commission constructing a highway right through the existing airport. If this is done, of course the airport goes by the board and the minister will be in

direct conflict with his colleague the Minister of Transport, who is trying to establish a policy of separating general aviation from the large commercial operations that exist at Uplands. I feel that this matter has to be clarified by the minister in order to set at ease the minds of the residents with respect to the future of that airport, not only of this city, but also those interested in maintaining the facility as such.

I think, also, a word is deserving here on the existing policy of the minister as to the manner in which public projects are announced. As I understand it, the minister is in accord with the view that public projects, projects that are undertaken by his department, should be announced by the member of parliament who is sitting for that particular constituency. If the minister is in accord with that view, and I believe he professes to be, he should set up some system whereby sitting members of parliament will be advised in advance of a project being undertaken in a sitting member's riding, and also as to when it is completed. I think the minister will agree that it is an obligation of a sitting member of parliament, if his parliamentary duties will allow, to attend opening ceremonies at new public buildings in his constituency.

The practice of advising defeated Liberal candidates of construction projects in a riding where there is a sitting member in the opposition is a reprehensible one. I do not care whether this practice has been the custom over the years or whether it has not. It is my belief that if it did exist before it existed wrongly, and if it exists now it exists wrongly. I suggest to the minister that in keeping with the responsibilities, duties and obligations of a sitting member of parliament he should be one of the first to advise when public projects are going to be undertaken. He should also advise when the tenders will be open. So that a member may express interest in attending on behalf of his constituency when public buildings are opened in public, if for no other reason than to ensure regularity in the proceedings he should advise as to completion of these projects, and as to any opening ceremonies which are going to be undertaken in conjunction with the occupation of public buildings.

I was interested in the minister's remarks concerning the establishment of some system of awards for architectural designs submitted by individuals in Canada, and I am wondering how he is going to reconcile this with what might be a winner in the design of the world fair symbol, of which this parliament was rather critical but which is going to be implemented regardless.

Now a word or two about the minister's responsibility in the calling of public tenders for projects undertaken by his department. The present system, I feel, can be improved in several ways. At the moment my understanding is that in those areas where there are builders exchanges, tenders are called through those exchanges. This is so, even though there may be news media in smaller communities in the provinces where these builders exchanges exist. Perhaps the policy has been altered so that today not only are tender calls circulated through these builders exchanges, but they are also published in newspapers circulating in smaller communities. That should be the case, if it is not.

I believe that at one time the system was that the department was not required to advertise in the local newspapers. In order to give an opportunity to the residents of a community in which a public project is to be undertaken to bid, a proper policy—and it is not a costly policy; as a matter of fact it would probably prove to save the government money—would be to cause advertisements calling for public tenders to be placed in local newspapers.

I am sure the minister is well aware of the nefarious practices of unconscionable contractors in bid peddling and shop bidding. This is a field in which I know it would be difficult for the minister to develop a policy which would be consistent with dealing only with a prime contractor and not with subcontractors, but I feel some action must be taken to prevent this type of practice. The practice, of which I am sure he is aware, in some cases is for a prime contractor bidding on a public project sometimes worth several millions of dollars to call one subcontractor for, let us say, the installation of electrical material and services in a public project. The prime contractor will call one subcontractor and will ask him: "What can you give it to me for?" Then he will call the next subcontractor and tell him: "I have a price of so much from the first call; can you do it for less?" Sometimes he will suggest perhaps a lower price might be more in keeping. Then he will go on down the line of perhaps five or six subcontractors, and will do this throughout the whole field of subcontracting—plumbing, heating, ventilating, and so on—and the prime contractor will defeat the very purpose for which the tenders system was set up. I am sure the minister is aware of such things happening. Not only does

this put the subcontractor in an untenable position but it completely destroys the purpose for which the tenders system was set up in the first place.

My suggestion to the minister, in order to get around this procedure and to cure this undesirable practice—this dishonest practice in fact—is to set up a bid depository system whereby the subcontractor could, unseen by the eyes of the prime contractor, submit his bid for the subcontracting work in a sealed envelope and have it held in the same manner that the bids are now held which are submitted by the prime contractor, and then opened at the same time. If the subcontractors' bids, having been sealed in the interim, are opened at the same time as the bid of the prime contractor is opened, and if the prime contractor is then required to take the lowest bid of the subcontractors' bids, then I think we would cure a long standing situation which has worked to the disadvantage of the subcontractor and to the disadvantage of the the government.

I believe that most of our prime contractors in this country operate under a system of ethics which does not permit this type of practice; but there are a good many who pay much more attention to the dollar than to good business ethics, and it is that type of contractor who is defeating the public tenders policies of the government.

I make that suggestion for improving the existing system which the minister has called for, namely the setting up of bid depositories. They can be in the builders exchanges. They can be wherever the prime contractors' bids are now required to be submitted. The depository for the subcontractors can be set up in the same location. If there are defects in my proposal which would permit the minister to be critical and to say it will not work, then I think we should hear those criticisms.

There is only one possible weakness in this system which I am suggesting to the minister, and that is that the prime contractor may not want to have the subcontractor who makes the lowest bid do the job. There may be some personality differences between the prime contractor and, say, the plumbing contractor, which would mean they would always be at loggerheads on the job. However, I do not think this would be a usual happening. I think normally the prime contractor is going to be happy to get the lowest bid, and I am sure the government will be happy to get the lowest bid because it means the saving of taxpayers' dollars. So it will only be the rare occasion where you would find the prime contractor unsatisfied with the subcontractor who is successful in submitting the lowest tender. This is the only weakness I can see in the proposal which I have made. There may be others, and if there are, then I think we should discuss them a little further.

I see, Mr. Chairman, that I have approximately five minutes left, and in that time I want to say that there will be others in the official opposition who will be dealing with the specific sections of the minister's estimates concerning harbours, rivers, and also engineering, a matter with which I have dealt but little in my remarks. There will be others who will be dealing with the building and construction branch, and who are much more qualified than I to discuss such matters.

Before sitting down I want to join wholeheartedly in endorsing the remarks of the minister with respect to the personnel of his department. In the few years I have been here in Ottawa I have had nothing but the highest sort of co-operation from members of his department, particularly his two assistant deputy ministers, Mr. Jackson and Mr. Williams; and I hope that by mentioning their names in the house I am not administering to those who highly qualified gentlemen the kiss of death. They are very highly qualified civil servants and are extremely capable in their jobs. Everyone familiar with the work of assistant deputy Jackson is well aware of his work in the civil service and the great contribution he has made in that field. Also, I think anyone who knows assistant deputy Williams knows the very high degree of capability that gentleman has with regard to engineering matters. I could mention others in the minister's department, such as the father of Eddie Litzenberger, a very famous hockey player. By and large the minister can be proud to be surrounded with the types of individual he has in his department. So far as I am concerned, they are very highly qualified and respected people.

Mr. Prittie: At the outset I should like to compliment the minister on the presentation of his estimates today. Watching him during the past year I have been quite impressed, and he certainly gives the impression of quiet confidence. On top of that he seems to be a man of ideas.

I rather like his ideas concerning architecture, and I should like to make a specific suggestion concerning it. Construction of the new terminal building at Vancouver international airport, which is in my riding, will

begin shortly, and I would suggest an attempt be made to get something of a local character into this building. It is very beautifully located, backed by mountains. Rather than build airports on a standard line, I think they should reflect something of the local areas. Perhaps there could be more use of wood in this terminal, because it is one of the main products of British Columbia.

I have one small complaint to make. The report of the Department of Public Works for the year ended March 31, 1963, and the report of the Trans-Canada Highway Act are still with the printers. It would have been useful if these had been in our hands before considering the estimates of the department. Probably this is not the fault of the department, but the government should have taken it into account when scheduling these estimates to come before the committee.

Not so long ago the hon. member for Northumberland talked about the need for research assistants for members of parliament, and it is at a time like this that I keenly feel this need. It is not too difficult to talk about public works in one's own riding, but if you want to deal with a very large department and all its operations, on only a few days notice, this is when you need a little help. The minister has a great deal of help at his disposal, but despite not having these reports I shall try to make a few intelligent comments on the work of his department.

I propose to deal briefly with the national capital commission, the trans-Canada highway and the organization of the department itself. It is almost a standard joke to complain about the roads in Ottawa, but really they are quite bad, as anyone knows who has bumped and thumped along them. I am sure the cost of the depreciation of automobiles in this area must run into hundreds of thousands of dollars annually, and I am certain Jean Paul would do a better job of building roads than Charlotte.

The only good roads I have come across in this area are those built by the N.C.C., or the department of highways of Ontario. I do not know what is the reason for this. Perhaps Ottawa lacks the tax resources to do an adequate job, and if that is the case we would be much better off it this job could be transferred to the national capital commission.

In recent months some suggestions have been made about the creation of a federal district embracing Ottawa and Hull, a district that would be neither in Quebec nor Ontario. This has been resisted vigorously by the people on the local councils, but I have spoken to a good many local residents and not all of them are opposed to the idea. It is a practical suggestion and I am sure it could be negotiated. No doubt the province of Quebec would be agreeable if it were made a completely bilingual district where the traffic signs would read "slow" and "lentement" instead of just "slow". But if we cannot have a federal district I would like to see better construction of roads in this area. I am really quite ashamed when people come here from other parts of Canada, or from other countries, and I have to take them over the roads in this city.

The minister did not have very much to say about the trans-Canada highway, but some time ago he made a statement concerning the need for a second trans-Canada highway and the requests that had been made to him. According to the last report, which I read some months ago, about 1,700 miles of the highway are still incomplete, that is, they are not built up to trans-Canada highway standards, but I think we can agree that what has been completed is a very good highway and serves a very good purpose.

Presumably one of the purpose of the highway was the same as the purpose in building a trans-Canada railway, to help knit the country together. I would like to give a good example of how this serves the national purpose. Now that the Rogers pass portion of the highway is complete it has knitted the provinces of British Columbia and Alberta much more closely together.

Until it was completed it was the tendency in B.C., and I think in Alberta, for tourist travel to be directed towards the states immediately south of those two provinces, but now that the Rogers pass section is completed there is much more travel between Calgary, through the Okanagan valley into Vancouver, which has resulted in an increase in tourist business in the interior of B.C. This is a good example of bringing two parts of the country together, and stopping the tendency of Canadian tourists to go south into the states.

In recent months there has been some talk about a second trans-Canada highway. This is an important topic, but some people have proposed something more important, the adoption of a national highway policy. The provincial ministers of highways in several provinces agree with this idea, and many organizations in the country that are concerned with roads and travel have expressed their views on it, such as the Canadian

automobile association, the Canadian construction association, the Canadian Chamber of Commerce and the Canadian lumbermen's association, all of which have joined together in asking for a national highways policy. If we had such a policy the question of a second trans-Canada highway could be fitted into it.

I am sure the minister and his officials are well aware of the fact that the United States federal government is much more involved in highways construction than the Canadian federal government. We have restricted ourselves to the trans-Canada highway, to highways in national parks, and now the Alaska highway, but the United States federal government has gone much further than that. It has contributed not only to the main arterial highways of the country but also to many interstate highways, and to many highways confined within states.

The formula by which it contributes to the state authorities is quite a complicated one and I do not intend to go into it at this time. The important thing is that the federal government is committed to it and, as a result, per capita there is much more highways construction taking place in the United States than in Canada.

The type of highways which I feel should receive federal help are those that are interprovincial but which may not be part of the trans-Canada highway, and roads which are international, running towards connecting highways in the United States. In this connection I am thinking of the main highway which runs from Vancouver south to the United States border, connecting up with U.S. highway 99. This highway from Vancouver was built entirely at the cost of the provincial government, whereas in the United States the part coming up through California, Oregon and Washington right to the border was built with federal participation.

This is a heavily travelled road, something like the road in Alberta from Edmonton and Calgary south to the United States border, or the road from Winnipeg to the border, which eventually connects up with Minneapolis. In addition there are provincial highways which could be improved, such as the one across the northern part of our prairies from Edmonton to Saskatoon, and from Edmonton on to Prince George and eventually over to Prince Rupert.

I know that a couple of weeks ago the minister announced that this matter had been discussed to a certain extent with provincial departments, and at that time it was decided not to proceed with further deliberations concerning a second trans-Canada highway. However, I would like to suggest that this idea of a national highways policy should not be forgotten.

It would have many beneficial results. For one thing it could provide a common standard of highways construction throughout the country. The trans-Canada highway standard is a good one, and so are the standards of most of the provinces, but a national highways policy would ensure the same common standard. Further, participation by the federal government would help some of the provinces which are not proceeding with highways to do more of this work. Some provinces, particularly Ontario which is a large province, can proceed on its own, as it is doing with its highways construction, particularly the 400 series which are excellent highways; but this is not true everywhere. I think it would help to co-ordinate highway planning from one province to another. The Canadian automobile association made a submission to the government in 1959, I believe, and I want to quote one paragraph. They state:

> The present responsibilities for highways in Canada are not sufficiently co-ordinated nor clearly enough understood to justify hope that a national system of highways, without direction, would eventuate. The Canadian automobile association believes that it is a matter of mutual interest for all road building agencies in Canada to recognize the essentiality of co-ordinated planning.

The situation may turn out all right with every province working on its own, but it may not. I think we should have this co-ordination. I feel that some of the most important and most expensive highway construction in the country is that which takes place around our major metropolitan centres. This is very expensive, particularly since highways of many lanes have to be built and also because expensive land acquisitions are involved.

I know that the question of federal involvement in provincial matters is a very touchy one these days, but I should like to see some method worked out whereby our major metropolitan centres, which have tremendous bills for highway construction, could get some help. This is done to a limited extent in the United States. I know that a few years ago in Vancouver a scheme was presented for extensive highway and freeway construction for the metropolitan area. I know that the building of freeways does not solve all traffic problems, but certainly some roads of this type are needed. This project was abandoned because the local areas involved simply could not pay the bill.

At the present time Montreal is in the midst of a very expensive highway construction program. They are fortunate in that they are receiving some help by reason of the road-building in connection with the world fair. This may be quite legitimate, but nevertheless it does help the Montreal metropolitan area. The minister can correct me if I am wrong but I believe some money was allocated from the trans-Canada highway fund for roads in the metropolitan area.

Mr. Deschatelets: This is part of the trans-Canada highway, and as it is the most expensive part the province is entitled to have the 90 per cent which we have to pay on one tenth of the whole length applied there. We have done the same thing for all provinces. In this case it would not have been possible for the city of Montreal to enter into such an undertaking without the help of the province of Quebec. The province is paying nearly $100 million, I believe, while the cost to the city of Montreal is $35 million or $40 million.

Mr. Prittie: I do not want to be misunderstood. I was not suggesting to the minister that because he is from that area parliament is giving any special help to the city of Montreal. Perhaps more city roads should be declared to be part of the trans-Canada highway. This might solve the problem.

I believe the minister said in his statement two weeks ago that he did not want to proceed with a further conference on a second trans-Canada highway, because of the financial commitments that the federal government had made to the provinces. I can understand this, but it seems to me that if we could develop a national highways policy under which some of the construction costs of highways in the provinces would be paid by the federal government the provinces would have less reason to demand more and more funds from the central government. Along with education the building of highways certainly involves the greatest expenditures by the provinces. I hope the minister will not give up on this idea entirely. I am sure that agreement could be reached with the provinces on this matter and it would have to be a necessary prerequisite of such an agreement, of course, that the federal government had sufficient funds available.

Some of us are a little alarmed at the growth of the autonomy of the provinces and the amount of money they are demanding from the federal government. I want to see the central government have enough money to participate in those things which serve national purposes,—and such roads do serve national purposes. I am sure the minister will hear more about a national highways policy in the future from others, if not from me.

Finally, I thought the minister might have made some reference to the recommendations of the Glassco commission as they apply to his department. The commission made quite a few recommendations which are found mainly in volume 2 of their report. I am going to quote some of them. On page 35 of volume 2 of the report of the royal commission on government organization I find the following recommendation dealing with land:

> We therefore recommend that: (2) The Department of Public Works be made responsible for the development of a complete inventory of properties owned or leased by the federal government and its agencies, and its maintenance as a perpetual record by posting to it all future acquisitions and disposals as they occur.

Here is another recommendation dealing with land:

> The Department of Public Works, in its organization for real property management, assigns staff to be responsible for land use aspects of federal property ownership and to consult and co-operate with other levels of government and their agencies for the future development of urban, rural and regional areas.

Under the heading of "Property Management" on page 36 they recommend as follows:

> 1. The Department of Public Works be constituted the sole authority for real property management outside the defence sector.
> 2. Except for defence purposes, the acquisition of property by purchase or lease be made by the Department of Public Works and title thereto be held in its name.
> 3. The disposal of all surplus property of the federal government, including property declared excess to the needs of the armed forces, be the responsibility of the Department of Public Works and that under a form of organization appropriate for the purpose, aggressive efforts be made to identify and dispose of unneeded real property.

Under the heading of "Construction" they point out that at the time of confederation the Department of Public Works was the only department concerned with construction, but over the years other departments have got into the field, notably the Department of Transport and the Department of Northern Affairs and National Resources. As a matter of fact, they state that the Department of Public Works is doing about 40 per cent of actual construction work, and on page 47 they make these recommendations:

> 1. The Department of Public Works be made responsible for the planning and supervision of all construction required by civil departments and agencies and the employment of all professional, technical and supporting staffs needed for such purposes.
> 2. The Department of Public Works be made responsible for the planning and supervision of

construction for the Department of National Defence of all classes of property other than those at present provided for through the planning and construction staffs of the armed forces.

They make further recommendations concerning property operations. I will not quote them but they are found on pages 58 and 64. Beginning at page 65 they have a section entitled "The New Role of the Department of Public Works". I realize that many of the recommendations of the Glassco commission are probably still being discussed in government circles. There may even be power plays going on with regard to who is going to control what. I do not know, but certainly I should have liked to hear a commentary by the minister concerning the recommendations of the commission. I am not really qualified to know whether or not these are good recommendations, but presumably competent commissioners studied this matter and came up with these recommendations. Therefore I should like to hear the minister's comments on them.

I was pleased with the final remarks of the minister. He gave some personal views as to what he thought the role of the department should be. Generally I liked the views he expressed. I liked the views he expressed concerning the building of marinas. I do not know whether in this day and age he has run into difficulties with the provinces in this regard, or whether because harbours are involved this is an exclusively federal matter, but it is a very good idea. So far as the lakes in the east are concerned, and the waters on the Atlantic and Pacific coasts, there are many people from the United States who would like to travel by pleasure craft in the summer and would make very good use of marinas. I hope this idea is pursued.

I have no particular comments to make on his suggestions with regard to tendering. I do not know very much about that subject but our party leader, the hon. member for Burnaby-Coquitlam, has had great experience and I believe he will be commenting on that matter later. I was pleased to hear the minister say that improvements will be made on parliament hill and in the centre block. Before the minister mentioned it here I had read that our ceiling may fall on us at any minute. It is made of Irish linen which is rapidly becoming quite rotten. But the problem seems to be that we have to get parliament out of here for several months before the work can be undertaken and I do not know how that is going to be accomplished in the next year or so. I should like to conclude by congratulating the minister again on his presentation and on the view he has of the operations of his department, but I also warn him that there will be a great deal of criticism when we come to particular items later.

Mr. Leboe: Mr. Chairman, in the five minutes left to me I want to deal very briefly with one or two items and I think it would be as well for me to cover them at this point rather than on the particular votes. First of all, I should like to deal with the Alaska highway paving program. It will be recalled that there was some paving done under a former Liberal administration, and then the paving projects ceased.

There was a conference in Whitehorse on September 11 and 12 of last year and at that conference it was my pleasure to mention to the delegates the experience I had had with the Department of National Defence. It is no secret that the Department of National Defence did not wish to pave the highway, using funds which it would much prefer to spend in other directions. I am particularly pleased that the suggestion which I made at that time, that responsibility for this project should be transferred from the defence department to the Department of Public Works is now to become an actuality. I wish to compliment the minister and thank him for the work done in this regard.

I understand, in connection with the Alaska highway, the thinking, that all the details as far as the engineering is concerned should be worked out before any building is done; that negotiations now in progress between the United States and Canada should be cleared up. We know of the bills which are before the congress of the United States in the names of Mr. Mansfield, Mr. Bettin and Mr. Olson—ostensibly, the same bills. We realize, too, that a resolution has been passed by the Alberta legislature. In the few minutes at my disposal I should like to make a plea, however, that those parts of the Alaska highway which fall within the alignment in the final survey should be paved at the earliest possible moment—I have in mind those sections where no major reconstruction program is needed. It would relieve the traveller if he could get on to a little paving once in a while. Even more important, it would reduce the danger which results from present conditions, because when a traveller is following a heavy unit which is kicking up dust, and this goes on mile after mile, he is tempted to take risks in order to pass. He dashes out into the dust and faces the possibility of a collision with an approaching vehicle. If there were occasional strips of paved surface it would help drivers a great deal.

I see my time has expired, and since I have one or two other things to say on this subject, I should like to call it five o'clock.

Progress reported.

The Acting Speaker (Mr. Batten): It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills.

INDUSTRIAL RELATIONS

PROVISION OF STATUTORY HOLIDAYS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill C-30, to provide for pay for statutory holidays and for pay for work performed on statutory holidays for employees in federal works, undertakings and businesses.

He said: This is a bill which by now must be quite familiar to hon. members of this house. It provides for one of the elements of what ought to be a national labour code. Specifically, it provides for statutory holidays with pay for certain employees in Canada.

Let me make it clear that the employees to be covered by this bill are those who come under federal labour jurisdiction. I have noticed that on some former occasions when this measure and companion pieces to it have been under debate in the house, some reports have suggested that this and the other bills dealt only with federal government employees. That is not the case. Those we talk about when we refer to employees who come under federal labour jurisdiction are all those who work in the sectors of industry which, by the terms of the British North America Act or by the terms of various decisions, come under federal labour jurisdiction, including, for example, railway and other transport workers, grain elevator employees, employees of banks, employees in certain fields of communication and so on. There are many groups of this kind whose labour relations are the subject of the Industrial Relations and Disputes Investigation Act. Actually, in percentage terms, about 10 per cent of the workers of Canada are in employment which comes under federal labour jurisdiction. The other 90 per cent are in employment which comes under the labour legislation of the various provinces.

For our part, we hope the day will soon come when there will be legislation right across Canada, both federal and provincial, to provide for statutory holidays with pay for all our workers. But, of course, in the federal parliament the only ones on whose behalf we can legislate are those who come under federal jurisdiction. We feel, also, that if the federal parliament would take a lead in this matter the provincial legislatures would follow, and this is one of my reasons for urging this measure upon the house. I mention this because many employees who come under federal jurisdiction already have statutory holidays with pay along the lines spelled out in this legislation. For example, federal civil servants have statutory holidays with pay as provided in the Civil Service Act. There are many other employees in various industries, for instance, in the transportation and communications field, who have a certain number of statutory holidays with pay which they have won through collective bargaining. Nevertheless, there are still many employees in the federal labour field who do not enjoy the provisions set out in this bill and our purpose in bringing in the measure is to extend these provisions to all those employees and also, as I said, to give a lead to the provinces in the hope that the day may soon come when we shall see statutory holidays with pay provided for all our workers.

The bill does set out the eight holidays which it is proposed should be recognized for the purpose of holidays with pay provisions. Those eight holidays are: New Year's day, Good Friday, May 24, or whatever day is celebrated in lieu of May 24; the first of July, Labour day, Thanksgiving day, Remembrance day and Christmas day. I would point out that the bill not only provides that workers shall get these days off, and get full pay for them; it also makes provision for overtime rates to be paid in case employees are required by the necessities of their employment to work on any one of those statutory holidays.

In arguing for this kind of legislation I am really preaching to the converted. Every party in this house stands for a national labour code; every party in this house stands for the kind of conditions that are contained in this measure, and in other companion pieces to it that are on the order paper in the names of those of us in the New Democratic party. But the fact of the matter is that we have been waiting a long while for some of these things to be implemented. I know it will probably be said during the course of the debate this afternoon that the present government has promised a national labour code and therefore we should possess

ourselves in patience; that we should wait and let the government bring in that code and be confident that it will include the measure that is set out in this Bill No. C-30. I know, too, we will also be told—because this has been said in previous debates—that it is not good enough just to bring in one measure, and what my friends on the Liberal side of the house in particular want is a comprehensive measure. I would like to answer that first. I know that if we brought in a bill that had in it two, three, four or half a dozen elements of a national labour code, we would be told the very opposite; we would be told that certain members could support our bills if they were precise on one point, but it is too complicated to have several things covered. So no matter which way we bring it in, we get this kind of criticism.

On this point of waiting, on this point of having confidence in the government, Mr. Speaker, I would like to point out one or two things. I suppose my friend, the hon. member for Kootenay East (Mr. Byrne), if he deals with this matter, will probably expect me to refer to ancient history. The fact is that the Liberal party first started promising the elements of a national labour code in 1919, 45 years ago. When are we going to get it? Some pieces of legislation that now come before the house give dates in the future. It is interesting, for example, to pick up Bill C-75 and find in it dates going as far ahead as the year 2015. When we get there I do not know whether we will say "twenty-fifteen" or "two thousand and fifteen". I said "when we get there"; I suppose I should have said "if".

It seems to me, Mr. Speaker, it might be a good idea for the Liberal party to tell us if it is their intention to implement their program of 1919 before 2019. After all, that is only 55 years away, so it might be a good idea to have a clear statement from the Liberal party on this question. At any rate, we have been told for 45 years that it is the program of the Liberal party to bring in a national labour code. I will not give all the history of all the times this has been promised during those 45 years, but I point particularly to the fact that in the last parliament, the twenty fifth parliament, the last, short, Diefenbaker parliament, the Liberals who sat over on this side of the house supported by their speeches—and one of the most active supporters was the present Minister of Labour (Mr. MacEachen)—our various proposals for a national labour code. In the election which the Liberals won on April 8, 1963, they promised that they would bring in a national labour code.

We tried to pin the government down in the first session of this parliament as to when this would take place, and we were told by the present Minister of Labour on November 8 last year that a national labour code would be brought in at this session of parliament. Well, that is beginning to get a bit nearer. It is a long time from 1919 to 1963, but finally we were assured that a national labour code would be brought in during 1964. Why don't I just take the government's word for it, Mr. Speaker? The government goes further than that. We were told in the speech from the throne that commenced this session that a national labour code would be brought in. The Prime Minister (Mr. Pearson) in his speech in this house on the motion for an address in reply to the speech from the throne confirmed that a national labour code would be brought in at this session. The Minister of Labour spoke in that debate, and he said it would be brought in at this session. There have been questions asked and answers given in the house, and we have been told time and again, "Yes, a national labour code will be brought in at this session".

I attended some of the sessions of the Canadian Labour Congress convention in Montreal a week or so ago and heard the Minister of Labour say to the delegates attending that convention that a national labour code would be brought in at this session. When I asked him when, he gave us the usual answer, "Soon". And so we go on. This is the fifty fourth day of the session and still there is no sign of a national labour code on the order paper. So it seems to me, Mr. Speaker, that we have to continue playing the role that some of us seem to have had to play for many years, that of trying to prod the government to do something about things in which it says it believes. Therefore, because a national labour code has not yet reached the order paper in any way, shape or form, it seems to me we have to try to bring this to the attention of the government by bringing forward bills such as this with various elements of a national labour code in them. We have brought such bills before the house from time to time.

I think it would be a good idea if this House of Commons this afternoon would show on the one hand that it wants a national labour code passed at this session, and on the other hand that it wants the government to act, by giving support to the principle

of this bill, by passing it on second reading. That would be an indication that the House of Commons wants action. If that happens, as I hope it will, I would be prepared to move that the bill then be referred to the standing committee on industrial relations, and it could rest there for a while to see whether the government brings in its measure. If the government does, and its measure is as good as or better than this one, the government bill can go through; but if the government does not bring it in, it seems to me that at least this element of a national labour code ought to be enacted by this parliament at this session. Therefore, Mr. Speaker, I hope the house will give favourable consideration to this measure that every party and every member supports, and I hope that favourable consideration will result in this bill being passed in this hour.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we have listened to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) and we have acquainted ourselves with the principle of his Bill No. C-30 and of the explanatory note which reads as follows:

> The purpose of this bill is to provide that all employees in Canada who come under federal labour jurisdiction shall receive their regular pay for at least eight statutory holidays each year, without having to work on those holidays. It also provides that when any such employee is required to work on any statutory holiday, as defined in the bill, he shall receive pay for such work at double time in addition to his regular pay for such holiday.
>
> Nothing in this bill affects any provision for statutory holidays with pay enjoyed by any employees where such provisions are more favourable than those enjoyed herein, but this bill does supersede any provisions which are less favourable than those set out in this bill.

Mr. Speaker, the hon. member who just explained to us the necessity of such a legislation or such a bill knows that for 20 years his own party was in office in Saskatchewan and that during those 20 years they forgot to apply what the hon. member for Winnipeg North Centre (Mr. Knowles) asks us to accept here in this federal parliament.

When we see—

[*Text*]

Mr. Knowles: Mr. Speaker, would the hon. member permit a question?

Mr. Caouette: Yes.

Mr. Knowles: Is the hon. member aware that Saskatchewan is one of the two provinces in Canada that does have legislation like this?

[Mr. Knowles.]

Mr. Caouette: Which is the other one?

Mr. Knowles: Manitoba.

Mr. Caouette: They have legislation, but not for all Saskatchewan, just a part; because all the federal employees in Saskatchewan are treated the way they are in Quebec or anywhere else in Canada.

Mr. Knowles: Mr. Speaker, will the hon. member permit me to say he is correct on that point, that the Saskatchewan legislation covers only those employees that provincial legislation can cover. It cannot cover employees who come under federal labour jurisdiction. But all employees in Saskatchewan who can be covered by provincial labour legislation, are covered.

Mr. Caouette: But does the hon. member know that in Saskatchewan the conditions regarding provincial employees are restricted to just the hours of the day they can work, and double time is never paid in Saskatchewan. That is for the hon. member's information.

[*Translation*]

Mr. Speaker, I visited Saskatchewan—

[*Text*]

Mr. Knowles: Tell us about your province.

Mr. Caouette: Our province is in exactly the same position as Saskatchewan, because there is no difference between the Liberals and the socialists.

Some hon. Members: Hear, hear.

Mr. Byrne: Things will improve out there now.

Mr. Caouette: You should go out to Alberta and British Columbia and see the difference in those provinces.

Mr. Knowles: They do not have this kind of legislation at all.

Mr. Caouette: No; they have better legislation, because they are Social Crediters.

[*Translation*]

Mr. Speaker, when I take—

[*Text*]

An hon. Member: You might as well give up Social Credit.

Mr. Caouette: No. You have to work, but you do not have to work for nothing, as you do under Liberal administration.

[*Translation*]

Mr. Speaker, section 1 of Bill No. C-30, under the short title, says:

1. This act may be cited as the *Statutory Holidays With Pay Act.*

Whereas section 2 states:

2. In this act,
(a) "deputy minister" means the deputy minister of labour;

Very well.

(b) "employee" means a person of any age,

—of the age of the hon. member for Winnipeg North Centre—

—of either sex who is in receipt of or entitled to any remuneration for labour or services performed for an employer;

Now, paragraph (c), probably the most important paragraph, reads as follows:

(c) "employer" means any person, firm or corporation employing one or more employees and includes every agent, manager, representative, contractor, subcontractor or principal and every other person who either:
(i) has control or direction of one more employees; or
(ii) is responsible, directly or indirectly, in whole or in part, for the payment of wages to, or the receipt of wages by, one or more employees;

Mr. Speaker, we do not object to all federal employees, or employees coming under federal jurisdiction, being dealt with in a logical fashion, so as to be recognized as human beings and not as so many numbers in the federal administration.

During extended debates of parliament or, for instance, during Easter recess or periods like the present one, when employees are called upon to arrive in the House of Commons at nine o'clock in the morning to go back home in the evening at ten o'clock or half past ten, having worked on days which are supposed to be statutory holidays, on such occasions, we do not object to salaries being double pay. If legislation, and the over-all administration in Canada, does not proceed at a faster rate than at the present time, it could not be blamed on civil servants, but rather on the representatives of the people sitting here in parliament, who impose extra work on those employees. In that case, we have no objection in seeing the salaries doubled, no objection to double time for the days which the hon. member for Winnipeg North Centre suggests are legal holidays, that is days when federal employees should take time off.

Mr. Speaker, even that would not settle the whole problem. We have other solutions to suggest. The point would be to improve the national administration and also our parliamentary debates which are so long and proceed so slowly that there is a considerable loss of time in the House of Commons.

Mr. Pépin: You do not set a good example.

Mr. Caouette: I hear the hon. member for Drummond-Arthabaska tell me that we are blocking the passage of this legislation.

Mr. Pépin: No, I said you did not give a good example.

Mr. Caouette: An example of what?

Mr. Choquette: You give the example of an hon. member speaking empty words.

Mr. Caouette: That is precisely what both those hon. members did in their own ridings during the last election. The hon. member for Drummond-Arthabaska, who was a professor at the University of Ottawa, realized, since he was elected and became a parliamentary secretary that he is losing his time in the ranks of the Liberal party. Surely, he will come back to better feelings toward Social Credit when he gets back his freedom.

[*Text*]

Mr. Knowles: Who told you that?

Mr. Caouette: He told me. He was educated and was going to educate his students to Social Credit philosophy. I am not the one who told him; he told me.

Mr. Knowles: Is that where the Minister of Finance (Mr. Gordon) got the idea of debt free money?

Mr. Caouette: Probably.

[*Translation*]

Mr. Speaker, we, in this corner of the house, sincerely believe that improvements should be made, and that not only from one, but from all sides of the house, the recognition of the rights of federal employees should be made a fact. Even if some Liberal members, or others, want to interrupt, we believe that the federal employees, throughout Canada, should be fairly, logically and humanly treated.

The bill before us is a very complex one. I understand, as the hon. member for Winnipeg North Centre (Mr. Knowles) said a while ago, that there are involved some purely political matters, questions raised for the whole of Canada, whereas one province, because it had the opportunity to do so for the last 20 years, could have given an adequate treatment within its own boundaries.

We of the Social Credit, believe that the system of economic treatment should not be conceived as a general regimentation. On the contrary, the system should be conceived and

administered in consideration of the individual, of the human person, and as long as we do not take the human person and the respect we owe to the individual into account, it will be useless to introduce such bills. We shall get nowhere, whatever party be in power. We hardly could expect other results. But, when we consider the importance of the human person, then we shall be able to legislate accordingly, with the greatest respect for men, women and children in Canada.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, may I make a few short remarks with regard to the bill now before us.

This legislation contains a principle which we should favour, because it is a general trend in the world today and if I may do so later, I shall quote a few relevant statistics. There is, in the whole world, a general tendency to have shorter working hours.

If I may be allowed to make a digression, as I represent an essentially rural farming county, I would like to pay a particular tribute to our farmers, who, I think are the only ones in today's society who are not always asking for paid holidays, which means that the praiseworthy labour and the doughty persistence of our farmers are always worth mentioning and that those people derive their strength and their greatness of character from the fact that they are never afraid to face work.

However, Mr. Speaker, a dividing line must be drawn between farming and industrial labour.

To come back to the bill now before the house, I repeat that the principle of the bill is particularly acceptable and in spite of the fact that the hon. member for Winnipeg North Centre (Mr. Knowles) has tried to refute the arguments against the bill, I agree that the bill could not be passed separately, because it would be much better if it was integrated in a set of laws.

It would be wiser not to mention immediately the term "labour code" since the hon. member has mentioned it a moment ago. Such a measure should have been introduced in this house years ago, but every time, some way was found to put off the discussion of such a bill.

Mr. Speaker, it is perhaps deplorable that this parliament is at a standstill at the present time; it is unfortunate and we strongly deplore it. Without blaming anyone—but the constituents will be in a position to judge and they are bound to do so. I think that it is advisable to denounce with the member for Winnipeg North Centre the fact that no positive and substantial legislation could be passed by this parliament, on account of a disconcerting slowness, a true paralysis. We are faced with a systematic obstruction that we must denounce with all our might.

[*Text*]

Mr. Knowles: Who is obstructing this?

Mr. Caouette: The Conservatives.

[*Translation*]

Mr. Choquette: Mr. Speaker, it is not a question of preventing this bill from being passed, because I maintain that its principle is acceptable, but that its text, in its present form, can certainly not be approved today and not until it has been subjected to further study. Indeed, the bill itself contains 18 clauses, each having its own importance, and it should be referred to a committee of the house for further study.

Mr. Speaker, the principle that I accept is in accordance with recommendations made in June 1962 by the international labour organization. During that session, the organization adopted the following general principles:

> Every member should formulate and follow a policy which would promote, through methods taking into account conditions, national traditions and the situation of each industry, the principle of the progressive reduction of the normal working period.
>
> Every member, by means adapted to methods now in use and likely to be introduced to regulate the work period, should promote and, to an extent compatible with national conditions and traditions, ensure the application of the principle of gradually reducing the normal work period, in accordance with the following paragraph.
>
> The principle of the gradual reduction of the normal work period could be applied through legislation—

That is, by means of a bill such as the one now before the house. I continue:

> The normal work period should be gradually reduced, when suitable so as to achieve the social standard indicated in the preamble of the present recommendation, without resulting in any way in less pay for the workers—

Such an aim is consistent with the principle of the bill now under consideration. I proceed with the quotation:

> —following the reduction of the work period.

Mr. Caouette: What would be the length of that period?

Mr. Choquette: Mr. Speaker, I shall come back to this matter in a little while, and for the information of my hon. friend, I must tell him that those statistics were taken from an indisputable authority, namely the Labour Statistics Yearbook.

Mr. Caouette: How long would be the work period?

Mr. Choquette: Mr. Speaker, the present trend is to establish a 40 hour work week. I feel that if the miracle theory of Social Crediters were ever applied, nobody would have to work any more, because dividends would be distributed to everybody, large quantities of money would be printed and no one would have to work.

Mr. Caouette: Mr. Speaker, I rise on a question of privilege. Should that be the case, the hon. member for Lotbinière could benefit therefrom, because he has done very little since he came to the House of Commons.

Mr. Choquette: Mr. Speaker, this is such a childish comment that I feel it would be better to ignore it. Besides, I shall point out to the hon. member that one must not assess the quality of the work performed by a member by the number of sterile speeches he makes in this house.

Mr. Caouette: Except for the member for Lotbinière.

Mr. Choquette: Except Mr. Speaker, for all the members of the Social Credit party, the Caouette branch, who since the beginning of this session and during the last one, have made the most trivial speeches, so completely useless that they have never served the public interest.

I am now going to continue my statement and I shall refer to the recommendation made by the International Labour Organization. Another principle reads as follows:

> The principle of progressive reduction of the normal duration of work, as expressed in paragraph 4, could be applied by stages, without it being necessary to determine them at the international level.
>
> Such stages could be spread over a period of time and include progressively various sectors of the national economy; the two previous methods could be combined; any other method that might seem better suited to conditions prevailing in the country and to each field of economic activity, could be followed.

Consequently, the method providing for stages spread over a period of time could very well correspond to the one suggested by the hon. member for Winnipeg North Centre which provides for statutory leave with pay.

Mr. Speaker, allow me also to refer to the suggestions made by the Canadian Labour Congress. The congress invited the unions affiliated to the C.L.C. to ask for higher wages or a shorter work week, or both, since mechanization and automation increase production.

It is precisely on account of the automation problem that it is necessary to establish that principle of a progressive reduction of the work week.

At a meeting held in Chicago in 1962, the executive council of the A.F.L.-C.I.O. moved a resolution asking for a shorter work week without any reduction in take-home pay.

Mr. Speaker, all that is in accordance with a state of mind which prevails practically throughout the world, namely that in our affluent society, in the context of the technological revolution that took place over the last decades, it is possible to give more comfort and prosperity to all the workers of the world.

Mr. Speaker, a look at some statistics compiled in 1960 will give an idea of the average work week throughout the world.

Taking Algeria for instance, we notice that in 1960, the average work week was 45.7 hours; it was 46 hours in 1961. In Egypt, the average work week was 48 hours in 1961 and 46 hours in 1962.

In the United States, during the last ten years, the average work week was as follows: 1955, 40.9 hours; 1956, 40.9 hours; 1957, 40.5 hours; 1958, 40.1 hours; 1959, 40 hours; 1960, 40 hours; 1961 and 1962, 40.1 hours.

Consequently, Mr. Speaker, we notice that in America, especially in the United States, the objective is a 40 hour week and it is somewhat toward that objective that Canadian citizens are also looking.

That is why, considering the recommendations of the international labour organization of the C.L.C. and of other labour organizations, we feel that the proposal under consideration should be considered exhaustively.

However, Mr. Speaker, may I point out to the hon. member for Winnipeg South Centre that it is not in the one hour's time that—

Mr. Caouette: The hon. member for Winnipeg North Centre.

Mr. Choquette: Mr. Speaker, these two members are diametrically opposed. One is reactionary and the other is progressive.

Mr. Speaker, the present bill deserves the most careful consideration.

One is reactionary and the other one is progressive.

Mr. Speaker, I wish to commend the hon. member for Winnipeg South Centre—

Mr. Caouette: North Centre.

[*Text*]

Mr. Choquette: South Centre is what I meant. Winnipeg South Centre and Winnipeg North Centre—they represent two extremities.

[*Translation*]

I commend the hon. member for Winnipeg North Centre for the generous spirit which led him to introduce this bill which deserves the most careful consideration.

However, as I said a while ago, it should be integrated into much wider legislation and, in my opinion, it should be referred to a committee where more time could be given to its study and where the necessary amendments could be made.

For instance, if we look at section 2 of the bill, we see that statutory holidays are enumerated. Here again, this is merely an insignificant detail, but a detail which nevertheless should be rectified, because the statutory holidays listed in the bill do not correspond at all to what is considered as statutory or non legal holidays in the province of Quebec.

For instance, the member for Winnipeg North Centre suggests that New Year's day be a statutory holiday. Well, New Year's day is one of the non legal holidays recognized under the civil code. There is also the day of Epiphany, on January 6. But, in the bill we are considering, January 6 or the day of Epiphany is not recognized as a statutory holiday. To my mind, there could be some citizens in the province of Quebec who would like to have January 6 as a statutory holiday.

There is also December 8 which is, for the people of the province of Quebec, a day of very special significance while for other members, it would not have the same importance.

You also have Victoria day. Certain other people would prefer to celebrate on that day the reigning monarch instead of a former monarch. And this, no matter what ideas have been expressed previously. In my opinion, it would be far more appropriate to celebrate the anniversary of the reigning monarch rather than that of a former queen. Therefore, the anniversary of the reigning monarch could be a statutory holiday, more so than Victoria day. The members on the other side of the house, those of the Conservative party, suggest the creation of a Sir John A. Macdonald day; that day could become a statutory holiday.

[*Text*]

Mr. Knowles: Will the hon. member permit a question?

[*Translation*]

Mr. Choquette: With pleasure.

[Mr. Caouette.]

[*Text*]

Mr. Knowles: Is he not aware of the fact that the current practice is to celebrate on what is called Victoria day the birthday of the present reigning monarch?

[*Translation*]

Mr. Choquette: Yes, Mr. Speaker, but some people have such devotion to the reigning sovereign that it would be necessary to have two separate days to celebrate both anniversaries.

You also have Dominion day, which is rather celebrated as Canada's day. Here again, this is merely a detail in reference to the text.

To sum up, Mr. Speaker, should we study this bill section by section, we would find out that it needs many adjustments and that a good number of suggestions would have to be made. Therefore, I do not think that we would be able within an hour to approve in full the bill as it is being proposed. This is the reason why, while agreeing with the principle and advocating it at the same time, I maintain that this text should form an integral part of the legislation as a whole and should be given much greater consideration than it is being given at the present time.

[*Text*]

Mr. Knowles: Then we agree. Would the hon. member permit another question?

[*Translation*]

Mr. Choquette: With pleasure.

[*Text*]

Mr. Knowles: If he thinks it is impossible to do this within one hour, does he not think it should be possible to do it within 45 years?

[*Translation*]

Mr. Choquette: I know that what the hon. member for Winnipeg North Centre is saying, is said in jest, but after all, the present social legislation has been established by the Liberal party. If our labour legislation is as progressive as it is today, the Liberal party has something to do with it, made its contribution to it.

The labour code does not exist, and I agree that it should exist.

We have done much more than any other party in the house in the field of Canadian social legislation.

[*Text*]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, it is very apparent that my remarks will be quite brief. In fact, they are going to be briefer because of remarks that have been made this afternoon. I fully realize that another party in the house wishes to

put its views on record in support of this measure and that will make it unanimous.

It is very difficult for me to add anything to the arguments developed by the hon. member for Winnipeg North Centre (Mr. Knowles) in support of the merits of the bill, which he has once again sponsored in the house. I do not intend to take much time of the house other than to congratulate him and to refer to two statements which have caused me to consider the time left for discussion.

During the remarks of the hon. member for Villeneuve (Mr. Caouette) there was an exchange with the hon. member for Drummond-Arthabaska (Mr. Pépin). I did not quite catch the entire exchange but my interpretation of it was that the hon. member for Drummond-Arthabaska was accusing the hon. member for Villeneuve of blocking legislation. In addition, the speaker who has just resumed his seat referred to the fact that slowness and obstruction were preventing legislation from going through the house.

I would call attention to the televised remarks of the Prime Minister on April 19—I emphasize the date and the person making the statement—who said at that time in answer to a question put to him by an interviewer that as far as the work of the House of Commons was concerned he was quite satisfied with developments over the past 44 days. The 44 days brought us up to April 19. Having regard to the necessary time taken for the budget debate, the throne speech debate, a supply motion and so on, I would point out to the member who has just resumed his seat that he is in disagreement with his own Prime Minister, who made the statement on a national television program that he was more than satisfied with the progress during that 44 day period. If the hon. member is assuming responsibility for the government when he refers to slowness and obstruction, and having in mind the remarks of the hon. member for Drummond-Arthabaska that legislation has been blocked, I only hope there will be time enough left for a member of the Social Credit party to support this legislation, and that that member will see fit to leave enough time for government supporters in order that we may see what they may do, so far as slowness and obstruction are concerned. With the hon. member's co-operation we will give them ample time to accept this very worth-while bill.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would not respond on every occasion when invited to do so by the hon. member, but I am going to respond on this occasion. I regret that my colleague, the hon. member for Cariboo (Mr. Leboe), has left the chamber for a few moments. He intended to speak on this measure but I will have to say a few words about it. The hon. member for Winnipeg North Centre (Mr. Knowles) has introduced this or similar bills on other occasions and we have supported the principle of them. Therefore I do not hesitate at all to express my support for the measure now before the house. I believe that this matter should not only be talked about, but that definite action should be taken. Many times we are in danger of giving lip service to fundamental principles and having given lip service just setting matters aside. When the same thing comes up on another occasion it is often bypassed.

But I believe this matter should be given urgent attention and a decision should be made by the parliament of Canada. The suggestion has been made that the bill be referred to the standing committee on industrial relations for detailed study and analysis. I would certainly concur in that suggestion. I simply wish to indicate my support for this measure and I agree that it should be referred to the committee on industrial relations.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, it has been indicated by the hon. member for Winnipeg North Centre (Mr. Knowles) that this legislation has been talked about by the government but nothing has been done about it. It is a fact that considerable legislation was forecast in the speech from the throne, but so far we have been unable to do anything about it. There are various reasons for our not being able to bring this legislation before the house. However, I can assure the hon. member and the whole house that it is the intention of the government to bring forward a bill which will have the effect of incorporating, I would hope, most of the provisions contained in Bill No. C-30.

Following the conference held some weeks ago with the provincial ministers of labour, the federal Minister of Labour (Mr. MacEachen) said that this matter was discussed with them in order to get their opinions and to determine how various business enterprises in their provinces might be affected.

The Minister of Labour, speaking on March 11, had this to say of the proposed labour legislation in answer to a question put to him by the hon. member for Ontario (Mr. Starr):

Statutory Holidays with Pay

These proposals in general were discussed at the conference of the labour ministers. It was not sought at the conference to ask for agreement on these matters; what was sought were the views of the provinces.

Obviously, the provinces have been considering these matters for many years. They realize the problems which a government faces when it is required to bring forward economic legislation which regulates the bargaining position as between labour and management. The provinces of Saskatchewan and Manitoba are the only two provinces which have legislation providing for statutory holidays with pay and, to its credit, the province of Saskatchewan names eight statutory holidays. I must say they turn out to be a little less progressive than the hon. member for Winnipeg North Centre (Mr. Knowles). The provincial legislation provides for opting out, to use an expression which has become popular these days. If I may quote from a report of the Department of Labour entitled "Provincial Labour Standards" at page 14:

By agreement between an employer and a trade union representing a majority of the employees in an appropriate bargaining unit, another working day may be substituted for any of the eight listed holidays.

The bill before us makes no such provision. In addition, the provincial legislation provides that hospitals, restaurants, hotels and so on need not be bound by the legislation. I am saying this simply to show that there are many matters to be considered and that we cannot cover such an important subject in the limited time provided for discussion of a private member's bill. No other provinces but those two have legislation dealing with this matter. Other provinces do provide for minimum wages—

The Acting Speaker (Mr. Batten): Order. It being six o'clock the hour provided for the consideration of private members' business has expired.

At six o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX "A"

COMMUNIQUÉ OF JOINT U.S.-CANADIAN COMMITTEE ON TRADE AND ECONOMIC AFFAIRS

The ninth meeting of the joint United States-Canadian committee on trade and economic affairs was held in Ottawa April 29-30, 1964. The committee noted with satisfaction the progress which had been made in matters of interest to both countries and the general improvement in relations between them.

The committee received from Mr. Arnold Heeney, on behalf of himself and Mr. Livingston T. Merchant, their interim report of progress on their joint study of United States-Canadian relations. They were appointed by President Johnson and Prime Minister Pearson to examine the desirability and practicability of developing acceptable principles which would facilitiate co-operation in economic and other policies. Their report noted agreement on method of procedure and stated that preliminary investigations have been initiated.

The committee noted that economic activity in Canada and the United States had continued to expand and that another favourable year was anticipated for 1964. They agreed that the two countries should continue to follow policies designed to stimulate economic growth and employment in the context of economic stability. They noted that trade between the United States and Canada was running at record levels. The committee discussed policies which each country was following to improve its balance of payments. The United States members expressed agreement with Canada's desire to improve its current account through an expansion of exports and stressed the importance of adhering to the principles of non-discrimination in achieving this objective. The committee also noted the recent improvement in the United States balance of payments position and expressed the expectation that this improvement would continue.

The members of the committee looked forward to the opening of the GATT tariff and trade negotiations in Geneva, in which both countries would be participating actively, for the reduction of trade barriers and the expansion of trade in both industrial and agricultural products between the two countries and with the rest of the world. They took note also of the progress at the current United Nations conference on trade and development and agreed on the importance of continuing international co-operative efforts to assist the less developed countries to expand their trading opportunities and facilitate their economic development.

The committee discussed the trade in automobiles and automobile parts between Canada and the United States. United States members stressed their concern over the possible adverse effects of the Canadian automotive program on certain United States parts producers. Canadian members emphasized that the program is designed to promote increased specialization and lower production costs in the Canadian automotive industry.

The committee examined problems affecting trade between the two countries. Canadian ministers expressed concern about increases in levels of certain United States tariffs arising from the recent reclassification of the United States tariff, including rates on parts and components. They urged that the United States government take action to correct this situation. They requested that action should be taken to remove long standing United States restrictions on imports from Canada of lead and zinc, and cheese. The United States members expressed their concern over possible Canadian measures which might adversely affect certain United States publications. A number of other matters were discussed including great lakes water levels, tourist customs privileges, and the trade in softwood lumber and coal.

The committee discussed the energy resources and energy problems of both countries and their relationship to economic efficiency. There was general agreement that United States-Canadian co-operation should be encouraged in areas where such co-operation serves the long term mutual advantage of both nations. They established a joint working group to prepare a program of studies relating to trade in all kinds of energy between the United States and Canada.

The meeting concluded with a general review of the international situation by Mr. Rusk and Mr. Martin.

The Canadian delegation included Mr. Paul Martin, Secretary of State for External Affairs; Mr. Walter Gordon, Minister of Finance; Mr. Mitchell Sharp, Minister of Trade

and Commerce; Mr. Harry Hays, Minister of Agriculture; Mr. C. M. Drury, Minister of Industry; the governor of the Bank of Canada, Mr. L. Rasminsky; Mr. Norman Robertson, the chief Canadian trade negotiator; the Canadian ambassador to the United States, Mr. C. S. A. Ritchie, and other advisers.

The United States delegation included Mr. Dean Rusk, Secretary of State; Mr. Douglas Dillon, Secretary of the Treasury; Mr. Stuart Udall, Secretary of the Interior; Mr. Luther H. Hodges, Secretary of Commerce; Mr. Orville L. Freeman, Secretary of Agriculture; Mr. George W. Ball, under secretary of state; Mr. Walter W. Heller, chairman of the president's council of economic advisers; Mr. William M. Roth, deputy special trade representative; the United States ambassador to Canada, Mr. W. W. Butterworth, and other advisers.

APPENDIX "B"

STATEMENT BY TRANSPORT MINISTER ON CIVIL AVIATION POLICY

The principles recommended as a basis for civil aviation policy are:

(1) In the international field, air services provided by Canadian air lines should serve the Canadian interest as a whole; these services should not be competitive or conflicting, but should represent a single integrated plan, which could be achieved by amalgamation, by partnership or by a clear division of fields of operations.

(2) In the domestic main line field, while the principle of competition is not rejected, any development of competition should not compromise or seriously injure the economic viability of T.C.A.'s main line domestic operations which represent the essential framework of its network of domestic services. In other words, there must not be the kind of competition which would put T.C.A. into the red; and, in the event that competition continues, the air transport board should ensure an opportunity for growth to both lines above this basic minimum.

(3) In formulation of policy based upon the foregoing point, a reasonable role for regional air carriers providing scheduled and regular air service must be established; this role must provide for a relationship between the regional air carriers and T.C.A. (and any other licensed main line transcontinental carrier) which will give the regional air carriers a reasonable chance to operate without government subsidies.

April 24, 1964.

HOUSE OF COMMONS

Monday, May 4, 1964

The house met at 2.30 p.m.

HOUSE OF COMMONS

INTERPRETATION OF PROVISIONAL STANDING ORDER 39A

Mr. Speaker: I should like to make a brief statement to the house with reference to provisional standing order 39A, under which certain questions are debated after ten o'clock on Mondays, Tuesdays and Thursdays.

The chairman of the subcommittee on procedure, the hon. member for Winnipeg North Centre (Mr. Knowles), undertook on Friday that the operation of this standing order would be reviewed in the light of certain misunderstandings of last Thursday night. That subcommittee has reviewed the matter, and the results of its deliberations thus far were reported to the committee on procedure and organization at noon today.

As a result of our discussions the Chair feels that it will be possible to interpret standing order 39A in a way that will be fair to all hon. members, and the Chair expresses confidence that with the co-operation of all hon. members, difficulties of interpretation can be avoided. The subcommittee has suggested certain guide lines which the Chair feels will be most helpful. If further difficulties arise the subcommittee will recommend an appropriate amendment to the standing order, but it is hoped that this will not be necessary.

NATIONAL FILM BOARD

RECOGNITION OF TWENTY FIFTH ANNIVERSARY OF ESTABLISHMENT

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I would not want to let the twenty fifth anniversary of the national film board, a corporation which Canada should rightly be proud of, go by without mentioning that fact to the house.

It was on May 2, 1939, that the royal assent was given to the bill establishing the national film board. If we look up the record, we see that the members unanimously recognized the necessity of creating an agency whose function would be to produce and distribute films in the national interest.

The act clearly defined the role of the board: to produce, among other things, appropriate films which would get Canadians to know one another better and make everybody more deeply aware of the scope and diversity of their country. In the National Film Act, as revised in 1950, one of the tasks of the national film board was defined along the same lines but in a broader sense. The new act provided that the board should produce and distribute and also promote the production and distribution of films designed to interpret Canada to Canadians and to other nations.

[*Text*]

Mr. Speaker, it is not my intention to dwell at great length on how well the national film board has achieved those stated objectives. I believe this has been amply proven in the past 25 years. Moreover, recognition has been won throughout the world in open competition against the best films that other countries could produce. National film board productions are being shown to groups in communities here and abroad as well as on theatre screens and on television in Canada and in more than 100 other countries. Every day brings further evidence of the value and influence of national film board productions as a positive force for telling Canada's story effectively.

On this twenty fifth anniversary of its formation I should like to extend sincere congratulations to the national film board, its management and its personnel for the effective results achieved in its first 25 years, together with the wish that the future may enhance the board's usefulness to Canada and add further laurels to the many it has already won.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, as far as the statement just made by the Secretary of State (Mr. Lamontagne) is concerned, I would not like to miss this opportunity to add our congratulations to the management of the national film board for the wonderful work that organization has accomplished in the last 25 years. It has trained technicians, specialists and qualified people in the field of film industry.

But even if we celebrate today the twenty fifth anniversary of the national film board, this should not be a time to rest on our laurels, especially when there is a very pronounced trend in Canada toward the setting

up of a film business even more extended and developed. I think it should be time for the national film board to take the responsibility of creating, maybe in another field of the film industry, full-length films which are not made in Canada at the present time. I think that this is essential in view of the efficiency of Canadian technicians and because of the value of the artists we have in Canada—to whom I take pleasure in paying a tribute—because of the numerous stories and writers we could use to produce full-length films. It is an industry which is practically non existent in Canada and which could be set up.

Now that the national film board is entering into its second quarter of a century of existence, it should participate in the setting up of an industry of full-length films in our country.

[*Text*]

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I should like to say a few words on the statement of the Secretary of State. The New Democratic party joins with others in wishing success to the national film board in its next 25 years. The teaching profession of Canada is well aware of the good work done by the national film board. They have made many films which have been shown in Canadian schools and have been able to interpret the various parts of the country to each other. I suggest to the Secretary of State that these films have been in rather short supply in many of the provinces, and it might be a very good idea for the centennial for the film board to consult with the departments of education of the various provinces for the purpose of seeing that more films interpreting Canada to Canadians are prepared. The film board has done a good job in this connection and we wish them well in the future.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, no matter how hard one tries to expedite the business of the house one finds it is impossible because of the proliferation of parties. All of us must have been in agreement with what was said. Because all would be in agreement I neglected to add my words to what had been so well said by the Secretary of State.

URANIUM

STATEMENT WITH RESPECT TO STOCKPILING PROGRAM

Hon. Harry W. Hays (Acting Minister of Trade and Commerce): Mr. Speaker, in the absence of the Minister of Trade and Commerce I should like to make the following statement regarding uranium stockpiling. The government has reviewed the uranium situation in the light of the latest available information and has come to the conclusion that it would not be advisable to extend the stockpiling policy beyond the one year period specified in the Prime Minister's announcement of June 26, 1963.

By the end of this period the government will have invested about $25 million in a uranium stockpile. This policy was designed to provide a breathing space for the affected communities by enabling certain mines to maintain employment until July 1, 1964.

While the present stockpile will be useful in ensuring continuity of supplies, it is the government's view that continued stockpiling would have a depressing effect on the markets for uranium. It would hold back the revival of demand for which, as the Prime Minister said in his June, 1963 statement, the eventual prospects are good. In the meantime the government is continuing to explore the development of alternative sources of employment in the communities where there are uranium mines.

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, with regard to the announcement just made by the Acting Minister of Trade and Commerce may I say that I know this announcement will come as a great blow and shock to the people of the Bancroft area. Some will perhaps say that the mining industry in any locality is not permanent, and this is to some extent true; but in order to provide hydro, water services, accommodation, schools and churches to meet the demands of such industry the local municipalities and councils must make plans and spend large amounts of money. With the cessation of operations the taxpayers of the area are then left holding the bag and must somehow meet the extra taxes and debentures that are levied against the municipalities.

I said a moment ago that the announcement would come as a blow and a shock. I say this because many of the people of the area had put their faith and trust in the statements made before the last election, and at this time I should like to read into *Hansard* a statement which appeared a few days before the last election.

Some hon. Members: Order.

Mr. Speaker: Order. Statements on motions should be short and factual.

Mr. Webb: Mr. Speaker, I assure you it will be factual. The statement is contained in a full page advertisement—

Mr. Speaker: Order. I believe this point arose last week and was ruled against. The fact is that this is not the time to do this.

Mr. Webb: Mr. Speaker, this morning just before lunch I received a telegram which I should like to put on the record.

Mr. Speaker: Order. This is not the time for debate. This is the time for short comment on the statement made by the minister.

Mr. Webb: Mr. Speaker, I will not read the telegram. I will produce it later. Once again the government is befuddled and is making decisions before it has the facts straight. Would it not have been better to call in experts in the field of uranium and electrical power production and get the views of these experts?

It has been stated in the evidence submitted concerning the Columbia river treaty that electrical power can be produced for as little as four mills per kilowatt by means of thermal power. Only this week the Minister of Trade and Commerce stated that Canada had moved to the front in the world production of nuclear power projects. If no provision is made to keep the present uranium mines in production at the termination of the present contracts this summer, two uranium mines will be left in Canada, one a crown corporation with contracts to 1967 and the other a Canadian subsidiary of a foreign company with contracts to 1970. With two uranium mines to provide fuel for nuclear power, these two mines will benefit from increased prices for their product and no nuclear power industry will suffer as a result of the lack of fuel supply. A reasonable stockpile of uranium would cushion the impact. Mines encouraged to operate at a reduced rate over a period of slack demand would be in a position to assume a normal operating role and sustain a normal nuclear power development.

The people of Bancroft, Mr. Speaker, will think of this as black Monday rather than black Friday, a day for which the Liberals are now famous. The people of Canada are again living in fear because they do not know what those who occupy the front benches will bring forth next.

Mr. Speaker: Order, please.

Right Hon. L. B. Pearson (Prime Minister): I rise on a question of privilege, Mr. Speaker. I thank the hon. member for his spontaneous, objective and non-partisan comment on the statement.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I believe the Prime Minister's observation was improper. He knows very well the promise he made to the people of Bancroft.

Mr. Pearson: If I may speak to a point of order, since the right hon. gentleman intervened, I would point out to him that this government has invested $25 million in order to give these communities a chance to get out of the mess in which the previous government left them.

Mr. Diefenbaker: This does not answer the fact—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —that the statement the Prime Minister made with regard to Bancroft was entirely unjustified by subsequent events, and that is the reason there is objection to the reading of what the hon. gentleman wished to place before the house.

Mr. Speaker: The hon. member for Burnaby-Coquitlam.

Mr. Webb: I had not quite finished my statement. A few days ago—

Mr. Speaker: Order, please. I do hope the statement will not continue too long, and that it will be conciliatory in tone.

Mr. Webb: It is very brief. A few days ago, in reply to a question asked by a member on this side of the house concerning low water levels in the great lakes, the reply from the Liberal benches was "Pray for rain".

Mr. Speaker: Order, please. This has nothing to do with the matter under discussion.

Mr. T. C. Douglas (Burnaby-Coquitlam): I am not aware that remarks on motions are supposed to be non-partisan, Mr. Speaker. This is certainly a new interpretation of the rules. The comments of the Prime Minister are hardly likely to set a good example in that regard.

There will be widespread disappointment in some of the mining areas of Canada at the government's announcement that it is going to discontinue the stockpiling of uranium after the end of the year. I have not got a copy of the minister's statement, but I gather from his remarks the government feels that to continue stockpiling uranium would, in some way or other, adversely affect any recurrence of demand that might take place in the future. That is a very difficult contention for me to accept. It seems to me if the government is convinced that there is going to be a recurrence of demand, this is all the more reason for having a stockpile on hand to meet that demand.

What is even more important is that steps be taken to keep the uranium industry alive as a viable operation against a demand which the government itself says is likely to recur in the near future. I hope the minister and the government will give further consideration to this before finally cutting off the present stockpiling arrangements which will

mean the end to many communities, and which will mean the day may come when we will want to produce uranium and shall find we have not the necessary industrial organization to do so.

Mr. H. A. Olson (Medicine Hat): Very briefly, Mr. Speaker, I think the government would be very well advised to reconsider this sudden cutting off of the stockpiling measures introduced a year ago. With some pride Canada has been the leader in the development of the peaceful uses of uranium. On a number of occasions the Minister of Trade and Commerce has mentioned this to the house, and this step in cutting off the program will have a severe impact on many communities which it has kept going through periods of slack demand.

As I say, I think it would be advisable for the government to reconsider this matter and perhaps introduce a gradual decline rather than a sudden cut-off.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, on hearing about this very important question of uranium production in Canada, I could not help thinking of the riding of the Prime Minister himself (Mr. Pearson), namely Algoma East, where Elliot Lake is situated and where people had to rely on their savings and energies eight or ten years ago to survive.

That municipality is not the only one of that kind. Last night I was in the Asbestos mines area, in Thetford Mines, where between 650 and 700 employees and heads of families who had been working for 15 or 20 years will be laid off within a month or 60 days. The question is the same all over the country.

Mr. Speaker, the uranium question was very important just a few years ago, when we had a Conservative government with the present Leader of the Opposition as prime minister of Canada. At that time we could have obtained 25 year contracts with Great Britain, but we were satisfied with the promises of the Americans who told us: We will give you better orders.

Today we are facing problems which should have been settled four, five or seven years ago.

[*Text*]

Mr. Diefenbaker: That is not true.

Mr. Caouette: This is true, Mr. Speaker.

Mr. Diefenbaker: No, a complete invention.

Mr. Caouette: Mr. Speaker, I say to the Leader of the Opposition that this is true, and he knows that Elliot Lake was going exactly where it is today when he was the prime minister of Canada.

[Mr. Douglas.]

[*Translation*]

Mr. Speaker, that situation is not new. It repeats itself, for instance, year after year, or every five or ten years.

Today the Prime Minister of Canada is faced, in his own constituency, with the problem arising now in Thetford Mines, concerning asbestos.

I will say this: as long as we have a government, be it Conservative or Liberal, which plays up to financial interests giving orders from the United States, we shall never become masters of our economy.

There is not a single one of us who does not want to help all his fellow citizens, be they from Elliot Lake, Thetford Mines, Rouyn-Noranda or wherever they may be in Canada. We wish to help them, but we will do so only if we assume our responsibilities.

In my opinion, under the present circumstances the Prime Minister of Canada and the present government must assume their responsibilities and not to do as I saw on T.V. a few days ago, when the Quebec premier told us that we were becoming our own masters in Quebec while the General Motors Corporation was establishing an industry in the Montreal area, namely at Ste Thérèse de Blainville. Who will profit by that industry? The workers? No. Who? The General Motors Corporation. Who owns the General Motors Corporation? The Americans. Who owns at the present time any important corporation in Canada? The Americans.

[*Text*]

Mr. Speaker: Order, please. The question is not General Motors and the potential establishment of a factory; the question is uranium mines.

[*Translation*]

Mr. Caouette: Mr. Speaker, I must tell you that we want to control our own economy. But, on the other hand, it is up to the Canadian government to assume its responsibilities. In so far as it will do so, we, members of the Ralliement Creditistes or of the Social Credit, shall support the government, but we shall refuse to go along with freakish or nonsensical projects unlikely to bring about any improvement in our province or in other provinces.

Indeed, we want to become responsible for, as well as control our own economy. To this end the government must necessarily assume its responsibilities. And we are ready to endorse the government to that extent.

[*Text*]

[*Later:*]

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, following the

announcement today with respect to uranium would the Prime Minister be prepared to say whether there was any basis for the advertisement in the Stirling *News-Argus* of April 4, 1963, which read as follows: I am just taking an excerpt:

In the near future the present contracts will be terminated and Conservative government has not committed itself to any action to continue the mines.

Mr. Pearson has promised the Liberal candidate—

That is William A. Shannon.

—that if he is elected he will invest in the future and will maintain the mines in operation and stockpile uranium until required.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not aware of having made that statement in that form, but I will be glad to look into it.

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. G. W. Baldwin (Peace River) moved that the first report of the standing committee on public accounts, presented to the house on Friday, May 1, be concurred in.

Motion agreed to.

ESTIMATES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Bernard Pilon (Chambly-Rouville) moved that the first report of the standing committee on estimates, presented to the house on Friday, May 1, be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS

Question No. 410—**Mr. Latulippe:**

1. What was the gross and net income of the C.N.R. in 1962-63?
2. What were the expenses of the C.N.R. in 1962-63?
3. What is the total debt of the C.N.R.?
4. What was the increase of that debt in 1962-63?
5. How many former railways did the C.N.R. acquire since its inception?
6. What amounts were paid for the purchase of each of those railways?
7. How was the payment made in each case?
8. What was the amount of the debt taken over in each case by the C.N.R.?
9. What is the amount of interest the C.N.R. has paid toward each such debt since the purchase of those companies?
10. Does the C.N.R. intend to acquire other companies in the immediate future?
11. How many miles of railroad does the C.N.R. own in the United States?
12. What agreements govern this property in the United States, and when are they renewable?
13. What was the total amount of business of the C.N.R. in the United States in 1962-63?
14. Is the C.N.R. governed by the same regulations as the American companies in its operations in the United States?
15. Does it benefit from special privileges, and, if so, what are they?
16. Does the C.N.R. employ American personnel and, if so, how many, in what positions, and what salaries were paid them in 1962-63?

Questions

Answer: The management of Canadian National Railways advises as follows:

1. Gross railway operating revenues: 1962, $701,622,754; 1963, $725,181,334.

Net railway operating income or (loss): 1962, $(5,819,337); 1963, $5,011,665.

2. Railway operating expenses: 1962, $707,442,091; 1963, $720,169,669.

3. Total long term debt as at December 31st, 1963: $1,791,253,526.

4. Long term debt decreased in 1963 by $51,092,340.

5, 6, 7, 8, 9. The subject matter of the question involves capital revision proposals which have been submitted to the government in relation to the financial structure of the system. As it involves complex technical calculations, the proposal, in order to be understood, must be reviewed in the whole and, therefore, it is not possible to give a brief answer.

10. Nothing in contemplation.

11. 1,593 miles.

12. There are no agreements governing the company's property in the United States.

13. The railway operating revenues of U.S. subsidiary companies were: 1962, $69,038,691; 1963, $72,826,478.

14. Yes.

15. No.

16. Yes, there are 6,873 persons employed in the company's United States operations.

MACTAQUAC DAM—EFFECT ON NAVIGATION

Question No. 450—**Mr. MacRae:**

Has any study been made of the possible effects on navigation between the Mactaquac dam and the mouth of the Saint John river after completion of the dam, it being generally understood that the water level of the river would be reduced and, if so, what were the conclusions reached?

Mr. Pickersgill: The executive director of the Atlantic development board advises that:

The federal Department of Public Works has made studies of the effects of Mactaquac on navigation on the lower Saint John river in co-operation with the provincial authorities. It is not expected that the operation of the dam would have any appreciable effect on average water levels.

GRANT TO PEACE RESEARCH INSTITUTE

Question No. 455—**Mr. Howe (Hamilton South):**

Does the government intend to give a grant to the Canadian peace research institute and, if so, when is this to be done and what is the amount contemplated?

Mr. Martin (Essex East): At present the government is not contemplating a grant of funds to assist the Canadian peace research institute. In response to requests by the institute for advice and other assistance the appropriate departments of the government have responded favourably and have attempted to meet these requests. To the extent possible, informal assistance of this kind will continue to be provided.

MACTAQUAC DAM—RIVER POLLUTION STUDIES

Question No. 479—**Mr. Flemming (Victoria-Carleton):**

Have studies been made as to the effects of pollution of the Saint John river following construction of the Mactaquac dam?

Mr. Pickersgill: The executive director of the Atlantic development board advises that:

We are informed that the New Brunswick electric power commission and the New Brunswick water authority have already carried out certain studies on this matter, and further studies are under way.

MEETING OF EDUCATIONAL AUTHORITIES

Question No. 538—**Mr. Orlikow:**

Is the government giving consideration to the requests of the Canadian teachers' federation made in their brief to the Prime Minister in November 1963 "that the federal government take the initiative in calling a widely-representative meeting of provincial ministers of education, their advisers, and those national bodies most vitally concerned, to consider the feasibility of co-operation in searching for a means of alleviating the inequalities" (in education) "which now exist"?

Mr. Davis: At the federal-provincial conference of November 1963, the Prime Minister referred to the representations which the Canadian teachers' federation had made to the federal government. These had been received some two weeks earlier. As there was no response from the provinces it could only be assumed that, in their opinion, this matter should not be subject to federal-provincial consultation at that time. Nor has any representation since been received from the provinces which would suggest any basic change in their position regarding this matter.

*RESEARCH INTO EFFECTS OF FLUORIDATION

Question No. 576—**Mr. Marcoux:**

1. What research has the Department of National Health and Welfare carried out on the general effects of water fluoridation upon the human body in general, in addition to research on its effects on the teeth?

2. How much money has been provided for such research?

Mr. Munro: 1. The Department of National Health and Welfare, in its studies, primarily investigated the dental effects of water fluoridation. However no ill-effects of a systemic nature attributable to the presence of fluoride in the water supply have been reported by the health authorities or by the practising physicians in the fluoridated cities studied by this department. The medical aspects of fluoridation have of course received a great deal of careful scrutiny in the world scientific literature.

2. Cost estimates are not applicable.

FEDERAL LABOUR CODE

Question No. 637—**Mr. Langlois:**

1. What progress is being made toward the establishment of a federal labour code?

2. Who are the officials on that committee?

3. When will this project be completed?

Mr. MacEachen: 1. Proposals in the labour standards field are under active consideration at this time.

2. No special Commons committee exists for this purpose.

3. It is hoped proposals will be placed before the house later this session.

*WATER LEVELS, GEORGIAN BAY AND LAKE HURON

Question No. 661—**Mr. Rynard:**

1. What studies have been made on the extremely low water levels in Georgian bay and lake Huron?

2. What has been the annual precipitation per year over the last 12 years in the Georgian bay area?

3. Has there been any communication with the international joint waterways and, if so, what have been the findings?

4. Is any consideration being given to a dam at Sarnia similar to the one on the St. Mary's river?

Mr. Stewart: 1. Water levels and run-off in the great lakes basin, including lake Huron and Georgian bay, have for many years been recorded and studied as part of a continuing program of research into major Canadian water resources. Special studies have been made from time to time in response to requests from the international joint commission; in this context, see the statement by the Minister of Northern Affairs and National Resources in the House of Commons on April 14, 1964 (*Hansard*, page 2126).

2. The annual precipitation (snow and rain) per year over the last 12 years in the Georgian bay area has been as follows:

1952	31.25	inches
1953	32.24	"
1954	37.99	"
1955	29.61	"
1956	31.19	"

1957	35.01	"
1958	26.32	"
1959	37.29	"
1960	32.81	"
1961	30.52	"
1962	28.62	"
1963	27.32	"

3. Although the international joint commission has not been asked to study the matter of levels of lake Huron, some consideration was given to the question as part of the investigation of factors affecting the levels of lake Ontario under a reference to the commission from the governments of Canada and the United States dated June 25, 1952. The commission was not, however, requested to make any findings in so far as the levels of lake Huron were concerned.

4. No. Consideration is being given to the placing of submerged sills in the St. Clair river which would have the effect of improving the low levels of lake Huron and Georgian bay.

MACTAQUAC POWER DEVELOPMENT, NEW BRUNSWICK

Question No. 689—**Mr. MacRae:**

1. What program is envisaged for multi-purpose development of the Saint John river valley resources under ARDA?
2. If the Mactaquac hydro electric project is proceeded with, what is the estimated expenditure on behalf of the federal government?

Questions

3. What officials of ARDA are specifically involved?
4. Has a firm of consultants been engaged to carry out studies in this regard?
5. What is the estimated expenditure of such projects on behalf of the federal government and on behalf of the government of New Brunswick?
6. What departments of government are involved other than the Department of Agriculture?

Mr. Sauvé: 1. There has been some discussion between officials of ARDA and the government of the province of New Brunswick regarding the possibility of ARDA being involved in the development of the Saint John river valley. To date no request has been received from the government of New Brunswick for consideration of an ARDA project in this area.

2 to 5. N/A.

6. Both the departments of agriculture and forestry have been involved in these discussions.

ARDA PROJECTS APPROVED, MANITOBA

Question No. 693—**Mr. Stefanson:**

What projects have been approved with the province of Manitoba which come under the Agricultural Rehabilitation and Development Act since January 1, 1964, giving date of approval and the cost of each project?

Mr. Sauvé: Five projects have been approved in the province of Manitoba under the Agricultural Rehabilitation and Development Act since January 1, 1964. These projects the date of their approval and the cost of each are listed as follows:

Project	Date	Cost
A study of the interlake region with the objective of facilitating rural development.	Jan. 30, 1964	$67,000
To investigate various types of well development and construction in glacial till.	Apr. 3, 1964	15,000
To continue work in Manitoba in connection with the Canada land inventory during 1964-65.	Apr. 10, 1964	21,500
A study to determine those factors which influence occupational aspirations and school drop-outs in the interlake area.	Apr. 13, 1964	10,750
To investigate and evaluate ground water supplies in southwest Manitoba.	Apr. 13, 1964	39,000

INQUIRIES ON ARDA PROJECTS

Question No. 694—**Mr. Gauthier:**

1. In implementing ARDA, what amounts has the federal government paid to each province in 1962-63 and 1963-64?
2. In implementing ARDA, what amounts has the federal government granted to each province for drainage and water conservation?
3. Under ARDA does the federal government authorize payments to the provinces only for specific and jointly approved projects?
4. Under ARDA, if a project is accepted by a provincial government, is it accepted automatically by the federal government?

[*Translation*]

Answer: 1. In implementing ARDA, the federal government paid to each of the prov-

inces, for the year 1962-63 and the year 1963-64 up to now, the following amounts:

Province	1962–63	1963–64
Nfld.	—	$73,038.04
P.E.I.	$14,984.43	777.10
N.S.	29,861.59	60,433.94
N.B.	62,100.66	90,446.81
Que.	216,649.82	481,486.17
Ont.	—	32,089.61
Man.	56,530.89	640,429.76
Sask.	161,672.72	586,885.34
Alta.	—	221,011.13
B.C.	—	30,549.44

2. In implementing ARDA, the federal government granted to each province for drainage and water and soil conservation, for the fiscal year 1962-63 and 1963-64 up to now, the following amounts:

Province	1962–63	1963–64
Nfld.	—	—
P.E.I.	$ 4,761.99	—
N.S.	16,648.00	$38,253.68
N.B.	30,750.00	41,645.68
Que.	216,649.82	360,336.19
Ont.	—	—
Man.	15,985.85	466,672.01
Sask.	33,699.54	44,942.12
Alta.	—	109,621.49
B.C.	—	—

3. Yes.

4. No.

[*Text*]

PRESERVATION OF EUCHALON RUNS, PACIFIC COAST

Question No. 720—**Mr. Howard:**

Has any complaint been brought to the attention of the government regarding herring seiners on the Pacific coast catching euchalon in their nets and, if so, what was the nature of the complaint, the area involved and the suggestions, if any, made to preserve the euchalon runs?

Answer: The department's attention was drawn to allegedly large catches of eulachon by herring seiners. The allegation was to the effect that eulachon were being taken in quantities from a few pounds to thousands of tons.

The facts are that on March 8 because of poor fishing three herring seiners moved into Iceberg bay in the Nass estuary to prospect. This was not normal in that sets for herring are not usually made above Somerville island. One seiner made a set and found eulachon rather than herring. He immediately spilled the net. However, some eulachon did hang up in his net and they were sold with the herring he had.

It is felt that the circumstances were unusual and that present protection for eulachon will be ample.

[Mr. Gauthier.]

*CITIZENSHIP CERTIFICATES, MR. AND MRS. JOSEPH BUCKIE, HAMILTON, ONT.

Question No. 721—**Mr. Howard:**

1. Has one Joseph Buckie of Hamilton, Ontario applied for and/or received a certificate of Canadian citizenship and, if so, what was the cost thereof to him?

2. Did Mrs. Buckie have to pay any money regarding her Canadian citizenship and, if so, how much and for what reason?

3. When did Joseph Buckie come to Canada and what age was he then?

4. Did Joseph Buckie serve in the armed forces of Canada and, if so, during what dates did he so serve and in what areas of the world and for what purposes?

5. Was Joseph Buckie wounded during his years of service in the armed forces and, if so, how many times?

6. Is Mrs. Buckie a natural born Canadian?

7. Does any authority exist for the Minister of Citizenship and Immigration or the governor in council to refund the moneys paid by Mr. and Mrs. Buckie and, if so, will that authority be exercised favourably?

Mr. Badanai: 1. Yes. Mr. Buckie applied under section 10(1) of the Canadian Citizenship Act and was granted a certificate of Canadian citizenship on March 12, 1964, paying a statutory fee of $10.

2. Mrs. Buckie was born in Canada but lost Canadian status upon marriage in 1945. She reacquired Canadian citizenship on October 22, 1963, under section 10(3) of the Canadian Citizenship Act, paying the statutory fee of $1.

3. Joseph Buckie came to Canada on December 1, 1926, at the age of 11.

4 and 5. I am advised by the Department of Veterans Affairs that a Joseph Buckie served in the armed forces of Canada from September 19, 1939, to June 26, 1945. He served in Canada, the United Kingdom and continental Europe, and participated in the raid on Dieppe. Mr. Buckie served as a private and as a lance corporal in the infantry. His unit was the Royal Hamilton Light Infantry. Joseph Buckie was wounded on two occasions during his period of service in the armed forces of Canada.

6. Yes.

7. No authority is provided by the present legislation for the Minister of Citizenship and Immigration or the governor in council to refund the moneys paid by Mr. and Mrs. Buckie. In view of the circumstances, the Minister of Citizenship and Immigration is writing to Mr. Buckie today and, as a gesture of gratitude and respect for his war service, Mr. Tremblay is forwarding to Mr. Buckie a personal cheque in the amount of $10. The fees at present required under schedule B of the citizenship regulations have received study by the minister and are to be the subject of recommendations to the government.

PROPORTION OF PAYMENTS UNDER ARDA

Question No. 727—**Mr. Gauthier:**

1. Are the 50 per cent federal payments to the provinces under ARDA conditional on the payment by the provinces of 50 per cent of the value of work done?

2. In carrying out an ARDA project, can a provincial government obtain payment of part of its 50 per cent share of the cost of the project from the taxpayers living where the work is performed?

[*Translation*]

Answer: 1. In order for the government to make a payment to a province, that province must have in fact incurred some expenses. The federal government computes its payment on a part of those expenses.

2. The amount of expenses shared is supposed to be that of the net expenses incurred by the province after deduction of any income or reimbursement collected by the province.

[*Text*]

INVESTIGATION INTO PRICE FIXING IN STEEL

Question No. 732—**Mr. Prittie:**

Has the government reviewed the action of the anti-trust division of the department of justice of the United States wherein six anti-trust charges have been laid against steel producing companies since 1962 and, if so, has the director of investigations and research (Combines Investigations Act) carried out any investigation during the past 12 months to determine if there is any evidence of price fixing by steel producing companies in Canada?

Mr. Favreau: The director informs me that press reports of these proceedings in the United States have come to his attention. The general practice, however, is that no information is given out as to whether a particular inquiry has been or is being pursued with respect to a particular group of companies or individuals, unless and until a report is published.

FLOODING OF C.N.R. RAILWAY LINE BY MACTAQUAC DAM

Question No. 734—**Mr. MacRae:**

What is the value of the Canadian National Railway line that will be flooded as a result of the building of the Mactaquac dam?

Mr. Pickersgill: The executive director of the Atlantic development board advises that:

We are informed that the cost of relocating this line has been estimated at approximately $11 million.

HEALTH STUDY, LOWER SAINT JOHN RIVER

Question No. 746—**Mr. MacRae:**

Have studies been made as to the effect on public health of the lower level of the Saint John river between Mactaquac and Saint John city resulting from the construction of the dam?

Mr. Pickersgill: The executive director of the Atlantic development board advises that:

Since in the opinion of the provincial authorities the level of the river below Mactaquac would not be appreciably affected by the dam, the matter has not arisen.

SEWAGE DISPOSAL UNITS NECESSITATED BY MACTAQUAC DAM

Question No. 747—**Mr. MacRae:**

1. How many sewage disposal units will be constructed following the construction of the Mactaquac dam?

2. Where will they be located?

3. Will the city of Fredericton be reimbursed for expenditure for any sewage disposal plant made necessary by the lower level of water resulting from the dam at Mactaquac?

Mr. Pickersgill: The executive director of the Atlantic development board advises that:

We are informed by provincial authorities that the question of sewage disposal on the Saint John river is a matter of continuing study.

*INTERPROVINCIAL GAMES, QUEBEC

Question No. 750—**Mr. Marcoux:**

Has the government agreed to pay a share of organizing the next interprovincial games to be held in 1966 at Quebec and, if so (a) is there any reason for delaying the announcement wtih regard to the payment of any such grant (b) have representations been made to the province of Quebec to have the games postponed until 1967, the centennial year?

Mr. Munro: The possibility of federal aid for the interprovincial games for 1966 has been receiving active consideration. The president of the Canadian amateur sports federation, which has requested support for the games, has been asked to supply certain information regarding capital costs. When this is received it is hoped that a decision can be given regarding federal aid to the project.

(b) No.

REPLACEMENT OF LAND FLOODED BY MACTAQUAC DAM

Question No. 753—**Mr. Flemming (Victoria-Carleton):**

Will the government undertake, under the ARDA program, to secure land of satisfactory quality to replace cultivated land to be flooded by the Mactaquac development on the Saint John river in New Brunswick which has been proven to have special characteristics for growing special crops and, if so, what portion of the total cost of such land will be paid by the federal government?

Mr. Sauvé: Although there have been discussions regarding studies being undertaken under the ARDA program in connection with the Mactaquac development on the Saint John river in New Brunswick, no submission has yet been made by the government of New Brunswick to Ottawa under the ARDA

program. Accordingly, no details are available as to what will be requested and no commitments have been made by the federal government under the ARDA program.

TELEVISION RECEPTION, CHICOUTIMI DISTRICT, QUEBEC

Question No. 757—**Mr. Côté (Chicoutimi):**

1. Have surveys been made in the parishes of L'Anse Saint John, Petite Saguenay and Rivière Eternité to determine the quality of the reception of television programs from station CJPM-TV of Chicoutimi and station CKRS-TV of Jonquière?
2. Is consideration being given to the erection of control towers or relay stations?

[*Translation*]

Answer: 1 and 2. In so far as the Department of Transport is concerned, the answer is "No".

[*Text*]

M.M.R.A. MOTOR VEHICLE TENDERS, AMHERST, N.S.

Question No. 763—**Mr. Coates:**

1. For what reason was the firm of D. A. Casey Limited, Amherst, not invited to tender on three of the four motor vehicles purchased by the M.M.R.A. in Cumberland between April 1, 1963, and March 31, 1964?
2. Was a Ford dealer invited to tender on the motor vehicles purchased by the M.M.R.A. from Cameron & Wilson Ltd. on two occasions and Rivers & Dickinson Ltd. on the other occasion?
3. Did G. H. Harrison Ltd. tender on any or all of the four motor vehicles and, if so, where is this firm situated and what automobile agency do they hold?

Mr. Sauvé: 1. None except that D. A. Casey Ltd., Amherst, did not handle a vehicle having the specifications required for two of the three vehicles.

2. No Ford dealers were invited to tender on the three vehicles as Ford vehicles did not meet the specifications required for two of the vehicles.

3. G. M. Harrison Ltd., Church street, Amherst, who held a dealership for Chrysler, Plymouth, Fargo and Valiant products, tendered on one of the four vehicles.

ANNUAL REPORT OF POSTMASTER GENERAL

Question No. 764—**Mr. McBain:**

1. How many copies of the annual report of the Postmaster General for the year ending March 31, 1963, which was tabled in the house on April 3, 1964, were printed?
2. What was the total cost of printing?
3. Were there errors in the first report?
4. Was a second printing carried out in order to correct pages 3 and 5?
5. Was the whole report reprinted, if not, what portion?
6. What was the cost of reprinting this corrected report?
7. Does the Postmaster General assume full responsibility for the errors?

Mr. Nicholson: 1. 1,550 (English); 400 (French).

[Mr. Sauvé.]

2. $1,750.81 (total cost including reprinting).
3. Yes.
4. Yes.
5. Yes, the whole report.
6. $308.63.
7. Yes, to the extent that the minister is responsible for clerical errors made by employees of his department. The errors in question were detected by the minister and immediately corrected as reported in *Hansard* of April 16.

WANIPIGOW, MAN., POSTMASTER

Question No. 784—**Mr. Slogan:**

Has a postmaster been appointed for Wanipigow post office in Manitoba and, if so, what applications were received and what is the name and address of the successful applicant?

Mr. Nicholson: Yes. Applications were received from the following: Mr. Lyle Edwin Barker, Mr. George Bushie, Mrs. Lorraine Moneyas.

The appointment of Mr. Lyle Edwin Barker, Wanipigow, has been approved.

CHARCOAL PLANT, FORT ALEXANDER INDIAN RESERVE, MAN.

Question No. 785—**Mr. Slogan:**

Has a request been received by the government for the carrying out of a feasibility study for a charcoal plant or other industry at Fort Alexander Indian reserve and, if so (a) will the Department of Citizenship and Immigration be participating in this study (b) what part will it play (c) what financial assistance will be given to this project by the Indian affairs branch (d) when is it anticipated that such a study would be carried out?

Mr. Badanai: Yes. (a) Yes; (b) and (c) the extent of departmental participation and financial assistance is under consideration; (d) during 1964.

NEW INDUSTRIES, BRANTFORD AREA

Question No. 787—**Mr. Hales:**

1. How many new industries have settled in the "designated area" of Brantford since the order in council was passed?
2. What are the names of these new industries?
3. What are the estimated incentive payments that will be made to each firm?
4. How many employees are presently employed by each firm?
5. How many of these firms are American subsidiaries?
6. Where were they situated before moving to Brantford?

Mr. Drury: 1. Since this legislation was enacted on December 5, 1963, and up to date May 4, 1964, 16 new businesses have declared their intention to establish in Brantford in such a manner as to benefit from the designated area tax incentive program. This was contained in paragraph 3 of the resolution on the Income Tax Act adopted by the house on April 28.

2. Any announcement of a particular firm's intentions regarding location, type of business and planned employment is made by the firm itself. Premature disclosure by the government could affect adversely the establishment of a new business.

3. Eligible businesses receive a three year exemption from the federal income tax and special capital cost allowances on machinery, equipment and buildings. No forecast of the value of the advantages to the new businesses is available.

4. The planned employment reported by the new businesses is 1,313. No breakdown is given for the reasons shown in 2 above.

5. The program is administered irrespective of the national ownership of the new businesses. According to such information as is available, four firms are subsidiaries of American companies.

6. Two only of the new businesses have vacated premises elsewhere to locate in Brantford.

NORTHERN TRANSPORTATION CO. LTD.

Question No. 788—**Mr. Nugent:**

1. When was Northern Transportation Company Limited formed as a separate entity from Eldorado Mining and Refining Limited?

2. Who are the present shareholders of Northern Transportation Company Limited, and what is their present shareholding?

Answer: 1. Northern Transportation Company (1947) Limited was incorporated in 1947 under the Companies Act, and in 1952 the name was changed to Northern Transportation Company Limited. The company is the successor of a company known as Northern Transportation Company Limited, organized in 1934 under the laws of Alberta. In 1936 all shares in Northern Transportation Company Limited were acquired by Eldorado Gold Mines Limited. These shares were a part of the assets of Eldorado Gold Mines Limited (which in 1943 became known as Eldorado Mining and Refining Limited) acquired by the Crown when the shares of Eldorado Mining and Refining Limited were expropriated by order in council P.C. 535 of January 27, 1944.

2. Eldorado Mining and Refining Limited, 1,514 shares; each of six directors, one qualifying share each, held in trust for Eldorado Mining and Refining Limited.

ELDORADO MINING LIMITED PROFIT

Question No. 789—**Mr. Nugent:**

1. Does order in council P.C. 535, January 27, 1944, expressly state that Eldorado Mining and Refining Limited shall not make a pecuniary gain to the company?

2. Did Eldorado make a profit and, if so, how much while this order in council was in effect?

3. How much of this profit, if any, was attributable to the operation of Northern Transportation Company Limited?

Answer: 1 and 2. Order in council P.C. 535 January 27, 1944 states in part as follows:

"Eldorado Mining and Refining Limited is hereby declared to be a body corporate and politic within the legislative authority of the parliament of Canada, but, on the issue of letters patent by the Secretary of State, as hereinafter provided, shall be a body corporate and politic without share capital, and shall consist of such persons as are from time to time named by the minister of munitions and supply, and shall have for its purpose the exercise and performance in Canada or elsewhere, without pecuniary gain to such corporation, of such of the powers and duties conferred or imposed on the minister of munitions and supply as the minister of munitions and supply desired to delegate to such corporation."

Pursuant to this order, a charter was issued by the Secretary of State to Eldorado Mining and Refining Limited (under the name of Eldorado Mining and Refining) which charter replaced the charter originally issued under the Ontario companies act.

By order in council P.C. 8265 October 27, 1944 the incorporation was approved of a company known as "Eldorado Mining and Refining (1944) Limited", to which was to be conveyed, transferred and assigned all property, assets and rights of Eldorado Mining and Refining in consideration of the assumption by Eldorado Mining and Refining (1944) Limited of all the obligations and liabilities of Eldorado Mining and Refining, and the issuance of fully paid up shares of the capital stock of Eldorado Mining and Refining (1944) Limited in an amount approximately equivalent to the net value of such property, assets and rights, all of which shares (other than the qualifying shares of directors) were issued to the minister of munitions and supply in trust for His Majesty the King in right of Canada. No pecuniary gain, therefore, resulted to Eldorado Mining and Refining Limited while the said order in council P.C. 535 was in effect.

3. Answered by 1 and 2.

NORTHERN TRANSPORTATION LTD.—PAYMENT OF TAXES

Question No. 790—**Mr. Nugent:**

When did Northern Transportation Company Limited begin to pay (a) federal tax (b) provincial tax (c) municipal tax?

Answer: (a) 1952; (b) has always paid applicable provincial (or territorial) taxes; (c) has always made grants in lieu of municipal taxes.

Questions

NORTHERN TRANSPORTATION LTD.—OPERATION OF TUG

Question No. 791—**Mr. Nugent:**

Did Northern Transportation Company Limited ever operate its tug *Radium Dew* on the Mackenzie river without proper licence and, if so, was it prosecuted for so doing?

Answer: Yes; no.

NORTHERN TRANSPORTATION LTD.—LICENSING OF EQUIPMENT

Question No. 792—**Mr. Nugent:**

1. Is Northern Transportation Company Limited equipment licensed for the whole of the area in which it operates i.e., the Athabasca region and the Mackenzie river area?
2. Was it always so licensed by the board of transport commissioners?
3. If not, when was the licensing changed and why?

Answer: 1. Yes.

2. No.

3. 1956—to obtain flexibility in operation.

NORTHERN TRANSPORTATION LTD.—MOVING OF EQUIPMENT

Question No. 793—**Mr. Nugent:**

Has Northern Transportation Company Limited moved any of its equipment from the Athabasca area to the Mackenzie river area and, if so, how much and in what years?

Answer: Yes; all equipment except one tug was built at Waterways in the Athabasca area. Since 1956 the movement of barges between these areas has been as follows: 1956, 24 built, used on Athabasca and moved to MacKenzie; 1958, one moved, Athabasca to MacKenzie; 1960, three moved, MacKenzie to Athabasca, two moved, Athabasca to MacKenzie; 1963, five moved, Athabasca to MacKenzie, one for use of Yellowknife Transportation Company. The other four plus two more already in the MacKenzie area were utilized on Colville river operation.

NORTHERN TRANSPORTATION LTD. PROFIT

Question No. 794—**Mr. Nugent:**

Does Northern Transportation Company Limited carry any D.E.W. line freight at a profit and, if so, how much is the profit and on what sections is the profit made?

Answer: Northern Transportation Company Limited carries D.E.W. line freight of the waterways to Tuktuk, the Hay river to Tuktuk, and the Norman Wells to Tuktuk sections of its route, and to the extent that a profit is generated on these sections, D.E.W. line freight contributes to that profit. The company's costing system is not designed to segregate costs and profits on D.E.W. line and other freight.

[Mr. Nugent.]

ELDORADO AVIATION LIMITED, HELICOPTER SERVICE

Question No. 795—**Mr. Nugent:**

Does Eldorado Aviation Company Limited make a profit from its D.E.W. line operations with its helicopter service?

Answer: No.

ELDORADO AVIATION LIMITED, WORK FOR NORTHERN TRANSPORTATION LIMITED

Question No. 796—**Mr. Nugent:**

1. Does Eldorado Aviation Company Limited haul any freight for Northern Transportation Company Limited?
2. Does Eldorado Aviation Company Limited haul any Northern Transportation personnel?
3. Does Eldorado charge Northern Transportation for this work and, if so (a) at what rates (b) are they posted rates (c) are they authorized rates and, if so, by whom are they authorized?

Answer: 1. Yes; Eldorado Aviation Ltd., hauls supplies owned by and used by Northern Transportation Company Limited.

2. Yes.

3. Yes, at cost, in accordance with the contract between Eldorado Aviation Limited and Northern Transportation Co., Ltd., referred to in the air transportation board class 5 licence issued to Eldorado Aviation Limited.

WESTERN AND CENTRAL D.E.W. LINE SUPPLY CONTRACT

Question No. 797—**Mr. Nugent:**

Is the contract for D.E.W. line supply for the western and central Arctic sector negotiated or tendered?

Answer: Negotiated.

L.S.M. "SALLY"

Question No. 799—**Mr. Nugent:**

1. Was application made to the maritime commission to bring the L.S.M. *Sally* into Canada and, if so, on what date?
2. Was the application for L.S.M. *Sally* dropped and, if so, for what reason and on what date?
3. Is this L.S.M. now in Canada and, if so, who owns it?
4. Who paid the customs and excise tax on it and how much was paid?
5. Was a contract of refit of this vessel entered into and, if so, how much was spent on this contract?
6. Who is presently paying storage charges on the L.S.M. *Sally*?

Answer: 1. No, permission of maritime commission not necessary to import vessel.

2. Not applicable.

3. Yes, Northern Transportation Company Limited.

4. Northern Transportation Company Limited paid customs duty of $24,868 and excise tax of $14,181.

5. No contract of refit was entered into. $35,900 was spent on preliminary stripping of equipment.

6. No storage charges have been or are being paid.

GOVERNMENT WHARVES, BELL ROCK, N.W.T. AND MCMURRAY, ALTA.

Question No. 800—**Mr. Nugent:**

Has the government built wharves at Bell Rock, N.W.T., and McMurray, Alberta, at government expense and, if so, are these docks utilized by companies other than Northern Transportation Company Limited?

Answer: At McMurray, no. At Bell Rock, yes; used by companies other than N.T.C.L.

NORTHERN TRANSPORTATION LTD.—COLVILLE RIVER OPERATION

Question No. 801—**Mr. Nugent:**

1. Did Northern Transportation Company Limited bid a job on the Colville river in Alaska in 1963 and did this expand its operation?
2. When this job was bid, was Northern Transportation Company Limited licensed for operation in the Colville river?

Answer: 1. Yes; yes, without expanding equipment.

2. Yes.

NORTHERN TRANSPORTATION LTD.—TYPE OF SERVICE

Question No. 802—**Mr. Nugent:**

Has there been any change by Northern Transportation Company Limited during 1963 from the type of service formerly offered by the Hudson's Bay Company in its Arctic operations?

Answer: No.

ARCTIC SERVICE, NORTHERN TRANSPORTATION LTD.

Question No. 803—**Mr. Nugent:**

1. Is the *Banksland* purchased from Hudson's Bay Company still being used?
2. If so, how many points are served by this ship and what is the total tonnage carried?
3. How many points in the Arctic now are served by Northern Transportation that were not served by (a) Northern Transportation before (b) Northern Transportation or Hudson's Bay Company before?

Answer: 1. Yes.

2. All points in the western Arctic from Alaskan border through to Boothia peninsula. 1963 tonnage: 2,053.

3. (a) Colville river, Alaska; and various points between Alaskan border and Boothia peninsula formerly served by Hudson's Bay Co., are now served by Northern Transportation Company Limited, and were not so served before purchase of *Banksland*.

(b) Colville river, Alaska, now served by Northern Transportation, not served by Northern Transportation or Hudson Bay Co., before purchase of *Banksland*.

NORTHERN TRANSPORTATION LTD.—CARGO RATES

Question No. 804—**Mr. Nugent:**

What is Northern Transportation Company Limited ton-mile rate for general cargo between each of the following points and in each case what is the mileage between these points (a) McMurray, Alberta and Fort Fitzgerald, Alberta (b) McMurray, Alberta and Bushell, Saskatchewan?

Answer: (a) 4.97 cents; 302 (on main route); (b) 7.29 cents; 273 (off main route).

NORTHERN TRANSPORTATION LTD.—PETROLEUM RATES

Question No. 805—**Mr. Nugent:**

What is Northern Transportation Company Limited ton-mile rate for bulk petroleum products between each of the following and in each case what is the mileage (a) Norman Wells, N.W.T. to Port Radium, N.W.T. (b) Norman Wells, N.W.T. to Yellowknife, N.W.T.?

Answer: (a) 16.8 cents; 298 miles; product put in barge, moved 80 miles, offloaded to storage tanks, pumped across eight-mile portage to other tanks, reloaded in barge, moved 40 miles, offloaded into storage tanks, then reloaded into large barges for delivery to final destination; average tonnage is only about 8 per cent of the comparable tonnage hauled on the Norman Wells-Yellowknife route.

(b) 2.7 cents; 695 miles; product placed in barge at Norman Wells, not rehandled until delivery at Yellowknife; and product constitutes a backhaul.

NORTHERN TRANSPORTATION LTD.—MACKENZIE SECTOR TONNAGE

Question No. 806—**Mr. Nugent:**

1. What was the total tonnage hauled by Northern Transportation Company Limited in the Mackenzie sector in 1963?
2. How many barges were utilized in this sector during 1963?
3. How many do they have licensed?

Answer: 1. 47,147 tons.

2. Northern Transportation Co., utilized 52 barges in the Mackenzie sector in 1963, and chartered 1 barge to Yellowknife Transportation Co., Ltd. Mileage on Mackenzie sector 1,936 miles.

3. 97.

NORTHERN TRANSPORTATION LTD.—ATHABASCA SECTOR TONNAGE

Question No. 807—**Mr. Nugent:**

1. What is the total tonnage hauled by Northern Transportation Company Limited in the Athabasca sector during 1963?
2. How many barges were utilized in this sector during 1963?
3. How many do they have licensed?

Answer: 1. 71,411 tons.

2. 37 barges were utilized by Northern Transportation Company Limited in the Athabasca sector during 1963. Mileage on Athabasca sector 692 miles.

3. 97.

NORTHERN TRANSPORTATION LTD.—D.E.W. LINE FREIGHT

Question No. 808—**Mr. Nugent:**

Of the tonnage hauled in the Mackenzie sector during 1963, what percentage was D.E.W. line freight?

Answer: Classified information.

COMBINES ACT AMENDMENT

Question No. 812—**Mr. Starr:**

Does the government intend to repeal section 34 of the Combines' Investigation Act, or amend the act, as proposed in the brief submitted by the value stabilization council of Canada on April 9, 1964 and, if so, when does the government intend to take this action?

Mr. Favreau: The brief submitted on April 9, 1964 by the value stabilization council of Canada together with the brief submitted in 1963 by its predecessor, the distributive trades advisory committee, are receiving careful study and any decision to amend the legislation will be made known in due course in the proper way.

*REPORT OF COMMITTEE ON DRUG PARNATE

Question No. 815—**Mr. Rynard:**

Has the committee appointed by the Minister of National Health and Welfare to study the effects of parnate yet made a report and, if not, when can such a report be expected?

Mr. Munro: The committee of experts appointed to advise as to what special restrictions, if any, are necessary on the future sale or distribution of drugs such as parnate and parstelin had its first meeting on April 6. It is now studying the medical and scientific information on this class of drugs and met again on April 29 and 30. Although recommendations will be made as soon as possible, the committee must be given the time necessary for a careful study and a full discussion of this difficult subject.

DEEP WATER HARBOUR, CHANDLER, QUE.

Question No. 821—**Mr. Vincent:**

1. Has the Department of Public Works made a model for the construction of a deep water harbour and breakwater at Chandler, Gaspé?

2. Has the Rimouski office of the Department of Public Works drawn up plans and specifications for this work and, if so, when were the plans drawn up, and what was the estimated cost for carrying them out?

3. Did the former minister of public works and the former deputy minister make any agreement as to cost sharing for this work and, if so, what agreement was made?

[Mr. Nugent.]

4. Did Canadian Industries Limited make a survey at Chandler in order to determine if the rock required for the work could be obtained on site and, if so, when was the survey made, how much did it most, and what did it establish?

[*Translation*]

Answer: 1. No model was made of a deep water harbour and breakwater at Chandler. A model study was, however, carried out on possible breakwater protection for the existing wharf.

2. No.

3. Cost sharing with Gaspesia Pulp & Paper Company Ltd. on the basis of 65 per cent of the construction cost to be borne by the crown, up to a $975,000 limit, was approved in principle by the treasury board, but no formal agreement was concluded with the company.

4. A survey for suitable rock was carried out in late 1959 and early 1960 by the department, and a quarry opened up to determine the quality and quantity of rock available. Canadian Industries Limited advised on blasting techniques. The cost of this work was approximately $25,000, and it established that suitable rock is available.

[*Text*]

EMPLOYMENT OF OLDER WORKERS

Question No. 826—**Mr. MacRae:**

1. Up to the present date, how many workers over the age of 45 have been placed in employment in Canada through the offices of the national employment service as a result of the program by which their salaries are supplemented to the maximum of $75 per month out of public funds?

2. What was the total cost of the advertising program in connection with this plan?

3. To whom was the advertising contract awarded?

Mr. MacEachen: 1. See answer to question 485, page 2350, *House of Commons Debates*, April 20, 1964.

2 and 3. See answer to question 130, page 936, *House of Commons Debates*, March 16, 1964.

POST OFFICE EXTENSION, EDMONTON, ALTA.

Question No. 831—**Mr. Lambert:**

1. Has a definite date been set for the calling of tenders for the extension of the postal terminal and post office in Edmonton, Alberta and, if so, what is the date, and what is the date of closing of the tender period?

2. Assuming usual procedures, what would be the anticipated date of commencement of work in the light of the answer to part 1?

Mr. Deschatelets: 1. Yes, tenders have been advertised with a closing date of June 30, 1964.

2. Subject to satisfactory tenders being received and allowing for the usual procedures, it is estimated that the contractor will commence work on this building by about the third week of July, 1964.

FINANCING OF UN CYPRUS CONTINGENT

Question No. 832—**Mr. MacEwan:**

1. Is it the intention of the government to continue to finance the Canadian contingent in Cyprus after the three month period which expires on June 27, 1964?

2. Will the government continue to press to have the UN forces in Cyprus made a collective responsibility of all UN members?

Mr. Martin (Essex East): 1. If the UN peace keeping force is maintained on Cyprus after the initial three month period, it will be necessary to study the methods of financing the force for any additional period of service. The decision of the government concerning financing the Canadian contingent will be made in the light of circumstances prevailing at that time.

2. Yes.

TREATMENT OF TUBERCULOSIS BY DRUGS

Question No. 839—**Mr. Rynard:**

1. What percentage of cases of tuberculosis are arrested or cured following the use of antibiotics or drugs?

2. What complications or disabilities have followed the use of such antibiotics and drugs?

3. Are there any indications that fewer patients are responding to treatment by the use of antibiotics or drugs?

4. How many new cases of tuberculosis have been discovered in Canada in the past year?

Miss LaMarsh: 1. During 1962, 7,210 active cases of tuberculosis were treated in sanatorium. Activity on discharge was as follows: inactive—1,780 cases (24.7 per cent), active improved—4,167 cases (57.8 per cent), active unimproved—505 cases (7.0 per cent), undetermined—27 cases (0.4 per cent), quiescent—731 cases (10.1 per cent).

Treatment is usually continued for a prolonged period following discharge from sanatorium and the ultimate cure rate is believed by tuberculosis experts to lie between 90 per cent and 95 per cent.

2. The most common complications following drug treatment of tuberculosis are minor gastric disturbances. In older individuals deafness and giddiness may be a problem. Allergic skin reactions may occur rarely.

3. No.

4. In 1963, 5,715 new active cases of tuberculosis were discovered.

RETURNS UNDER CORPORATIONS AND LABOUR UNIONS ACT

Question No. 840—**Mr. Woolliams:**

1. How many (a) corporations (b) labour unions, have made returns under the Corporations and Labour Unions Act?

2. What is the estimated number of (a) corporations (b) labour unions, that are required and failed as yet to make any returns?

Answer: 1. (a) For the reporting period 1962, complete returns have been received from 29,245 corporations which were required to report under the act. (b) For the same period, returns have been received from 96 international and 43 national unions.

2. (a) The total number of corporations required to report under the act is not yet available, although all corporations known to be reporting corporations under the act have submitted the required returns for the 1962 reporting period. Information is being sought from 450 additional companies in order that their status under the act can be determined and until this information is provided it will not be known whether or not these corporations are required to file complete returns.

(b) All international labour unions required to report under the act for the 1962 reporting period have submitted a return. For the same period 43 of the 54 national unions covered by the act have submitted returns. While 11 national unions have not filed complete returns for 1962 reporting period, five of these unions have reported for the 1963 period.

WINTER WORKS APPLICATIONS, KAMOURASKA CONSTITUENCY

Question No. 844—**Mr. Dionne:**

1. How many applications for winter works subsidies were received during the winter of 1963-64 from municipalities in the constituency of Kamouraska?

2. How many applications were approved, and what amount was granted to each municipality receiving such subsidy?

Mr. MacEachen: 1. Eighteen applications were received from the municipalities in the constituency of Kamouraska under the municipal winter works incentive program 1963-64.

Questions

2.

	No. of projects	Estimated fed. govt. payments
Kamouraska (county)	4	$24,180
Kamouraska (village)	2	10,800
Tourville (village)	1	1,000
St. Alexandre-de-Kamouraska (parish)	1	2,400
St. Andre-de-Kamouraska (parish)	2	1,980
Ste. Anne-de-la-Pocatière (parish)	1	4,500
St. Athanase (parish)	1	9,000
St. Germain-de-Kamouraska (parish)	1	3,600
St. Hélène (parish)	1	4,800
St. Louis-de-Kamouraska (parish)	1	9,240
St. Pacôme (parish)	1	1,380
St. Pacôme (village)	1	3,000
St. Pascal (parish)	1	2,700
Totals	18	$78,580

TRAINING OF OLDER WORKERS

Question No. 859—**Mr. Rynard:**

1. Has the government received any reports from employers as to the "on the job" training of workers over 45?
2. How many workers have received such training?
3. Has the training been such that these workers are now able and equipped to hold jobs in competitive industry?

Mr. MacEachen: 1. No.

2. 1,811 workers have been placed and are receiving on the job or other training.

3. Insufficient time has elapsed under the program to provide this information.

MULTI-MILK SALES

Question No. 860—**Mr. Rynard:**

1. Why are multi-milk sales not reported by the dominion bureau of statistics with the figures on whole milk sales, 2 per cent milk sales and skim milk sales?
2. What are the sales of multi-milk in 1962 and 1963 for (a) Toronto, and (b) Montreal milk sheds?

Answer: 1 and 2. Multi-milk production is reported to the dominion bureau of statistics as a concentrated milk product rather than as a fluid milk product. Monthly volume of production is included with other whole milk products in the report Dairy Factory Production. Sales data are not collected.

ST. SIMEON, QUE.—WHARF CONSTRUCTION SUPERVISORS

Question No. 877—**Mr. Bélanger:**

1. How many supervisors were hired by the government for the works under way at the St. Simeon wharf?
2. What are the names of these supervisors?
3. What salary do they receive?

Mr. Deschatelets: 1. Three.

2. Flavie N. Belley, Paul Émile Fortin, Georges LeBlond.

3. The rate of pay is $1.90 per hour.

WHARF IMPROVEMENTS, SUGAR LOAF, N.S.

Question No. 888—**Mr. Muir (Cape Breton North and Victoria):**

1. What are the plans of the department concerned for wharf improvements at Sugar Loaf, Victoria county, N.S.?
2. How soon will these improvements commence and at what estimated cost?

Mr. Deschatelets: 1. It is planned to renew the stringers and deck plank over the entire wharf. Minor repairs to the fender system are also under consideration.

2. The work is expected to start in late May at an estimated cost of $3,500.

SALARIES OF CIVIL SERVANTS

Question No. 892—**Mr. MacRae:**

How many civil servants in Canada are in each of the following salary brackets (a) less than $2,000 per year (b) $2,001 to $4,000 (c) $4,001 to $6,000 (d) $6,001 to $8,000 (e) $8,001 to $10,000 (f) $10,001 to $12,000 (g) $12,001 to $14,000 (h) $14,001 to $16,000 (i) $16,001 to $18,000 (j) $18,001 to $20,000 (k) over $20,000?

Answer: Information available on number of federal civil servants in Canada, as at September 30, 1963, in each of the following salary brackets:

(a) less than $2,000 per year, 524; (b) $2,001 to $4,000, 51,044; (c) $4,001 to $6,000, 63,633; (d) $6,001 to $8,000, 12,470; (e) $8,001 to $10,000, 5,110; (f) $10,001 to $12,000, 1,936; (g) $12,001 to $14,000, 735; (h) $14,001 to $16,000, 516; (i) $16,001 to $18,000, 131; (j) and (k) $18,000 and over, 40.

FEDERAL PARTICIPATION IN MINES CONVENTION

Question No. 897—**Mr. Latulippe:**

1. Was the Minister of Mines and Technical Surveys represented at the convention of the Canadian institute of mines and metallurgy held

recently at the Queen Elizabeth hotel in Montreal?

2. Did the Department of Mines and Technical Surveys subsidize in any way the organization of the convention?

3. If officials of that department took part in the convention, what are their names and in what capacity did they participate?

4. To what extent did the federal government participate in that convention?

Mr. Benidickson: 1. Yes, (a) The minister was represented by Mr. Jean-Paul Drolet, assistant deputy minister, at the annual meeting of the John T. Ryan safety awards held on Sunday, April 12, 1964. The meeting and annual dinner were held in the Queen Elizabeth hotel.

(b) The minister was also represented by Mr. Jean-Paul Drolet, assistant deputy minister, at the Monday luncheon held the following day, April 13. Mr. Drolet greeted the delegates (approximately 2,400) on behalf of the minister.

(c) The minister was present at the annual dinner of the Canadian institute of mining and metallurgy held on Tuesday evening, April 14, in the Queen Elizabeth hotel.

2. No.

3. The following representatives of the Department of Mines and Technical Surveys took an active part in the convention:

Mineral resources division: Mr. W. K. Buck, Mr. H. D. Worden.

Geological survey of Canada: Dr. L. W. Morley, Dr. D. W. McCartney, Dr. R. Thorsteinsson, Mr. E. A. Schiller, Dr. C. S. Lord, Dr. R. E. Whitmore, Dr. R. W. Boyle, Mr. L. L. Touchette.

Mines branch: Dr. John Convey, Mr. T. Cochrane, Dr. J. Walsh, Mr. J. Reeves, Mr. A. Hitchen, Mr. V. Haw, Mr. D. Parsons, Mr. L. Casey, Mr. R. Collings, Mr. D. Pickett, Mr. J. Ingles, Mr. F. Kelly, Mr. A. Ignatieff, Mr. L. E. Djingheuzian, Mr. H. Woodrooffe.

The above 25 representatives all had a part to play in the annual meeting. Most of them presented technical papers while the others acted as chairmen of technical meetings related to their work. It should be pointed out that only 25 were official representatives of this department; several others, with the authorization of their branch directors and also of the deputy minister, were given permission to go to Montreal for one or two days in order to attend technical meetings of interest to the department. In this latter case, their expenses were not paid by the department.

Mr. Jean-Paul Drolet, assistant deputy minister, also attended the said meeting to act as the official representative of the minister of mines at various functions. Mr. Drolet was awarded the gold medal of the institute for 1964 at the annual dinner of the C.I.M.M. Tuesday evening, April 14.

4. The answer to this question is included in answer No. 3.

SKINNING ALIVE OF BABY SEALS

Question No. 899—**Mr. Latulippe:**

1. How many complaints has the Minister of Fisheries received as a result of certain film sequences shot during the seal hunt in the gulf of St. Lawrence, which sequences show baby seals screaming as they are flayed alive?

2. Who, in the Department of Fisheries, is responsible for the supervision of seal hunting in the gulf of St. Lawrence?

3. Has the Minister of Fisheries received a report on this matter from his subordinates and, if so, what is the nature of such report?

4. What steps have been taken to prevent a recurrence of this state of affairs?

5. Did any hunters have their licences revoked or were any fined, and, if so, how many of the hunters fined have paid, and what was the amount of the fines?

6. What sections of the Fisheries Act might be amended so as to prevent any repetition of such actions?

Answer: 1. Several hundred letters of protest have been received but it is not possible to determine which letters resulted from reports of film sequences taken during the seal hunt.

2. The fishery officers located in areas where sealing operations are conducted.

3. Reports containing information on all aspects of sealing operations have been received.

4. A thorough review of sealing operations is being made and more restrictive regulations will be in effect before the opening of the 1965 season.

5. No.

6. New regulations are made by amending the seal protection regulations enacted under authority contained in the Fisheries Act.

REINSTATEMENT OF SEAFARERS UNION IN C.L.C.

Question No. 902—**Mr. Latulippe:**

1. Has a report been received by the Minister of Labour from the board of trustees concerning progress made regarding the reinstatement of the seafarers' international union as a member of the Canadian Labour Congress and, if so, what was the general content of the said report?

2. Have representations of any kind been made to the minister by the C.L.C. on this matter?

3. By whom were they made and of what nature were they?

4. Were the trustees of the board invited to study these representations and, if so, what observations did they make?

5. If the trustees were not invited to study these representations, for what reasons were they not invited?

Mr. MacEachen: 1. No.

2. No.

3, 4, 5. Not applicable. It might be added that a liaison committee has been established by the Canadian Labour Congress to deal with the trustees. This liaison committee was established some months ago and the trustees

have worked closely with it. The Canadian Labour Congress has also, I am informed kept closely in touch with developments.

POST OFFICE, WILLOW BUNCH, SASK.

Question No. 906—**Mr. Watson (Assiniboia):**

1. Is the government giving consideration to building a new post office in Willow Bunch, Saskatchewan?
2. Who owns the present post office building in Willow Bunch, Saskatchewan?
3. What is the present cost per year for post office accommodation in Willow Bunch, Saskatchewan?
4. When does the present lease expire?

Mr. Deschatelets: 1. No.

2. Mr. Jean Champigny of Willow Bunch.

3. $1,750 per annum.

4. October 31, 1965.

INCOME TAX—CHARITABLE DONATIONS

Question No. 946—**Mr. Caouette:**

1. Does the Income Tax Act provide for a maximum deduction of 10 per cent of net income for charitable donations and, if so, is this provision applied uniformly across Canada?
2. What procedures do departmental officials follow when processing income tax returns claiming deductions not exceeding 10 per cent and accompanied by receipts for charitable donations?
3. Are receipts for charitable donations ever questioned and, if so, are deductions ever arbitrarily reduced by departmental officials?
4. In the reduction of allowances for charitable donations are officials acting within the authority of the Income Tax Act or by some special authority granted to the Minister of National Revenue and exercised with his knowledge?
5. What appeal is open to taxpayers who feel that they have been dealt with in an arbitrary manner?

[*Translation*]

Answer: (a) Yes. (b) Yes.

2. The amounts claimed as deduction are granted except if there are good reasons to believe that the submitted receipts are not genuine or that the amounts for which they were made out are mere estimates and not based on any bookkeeping with regard to the sums actually received from each donor by the charitable organization.

3. (a) Yes. (b) No. Not if it means "without reason". If a charitable organization does not keep books showing the amounts received from each donor, and if the total deduction claimed by all donors is higher than the total amount actually received by the organization, the deduction claimed by each donor may be reduced in consequence.

4. Within the authority of the Income Tax Act.

5. The taxpayer should first of all communicate with the district taxation office and supply detailed information concerning the contributions he actually made to the organization concerned as well as every available evidence or proof thereof. If he is unable to convince the officers of the taxation office that the amounts involved are higher than the deductions granted at the time of assessment he may produce a notice of opposition on form T400A. Two duly filled-in copies of that form should be sent by registered mail, within 90 days of the mailing date of the notice of assessment, to the deputy minister of national revenue (taxation), in Ottawa.

[*Text*]

QUESTION PASSED AS ORDER FOR RETURN

CIVILIANS CARRIED IN R.C.A.F. AIRCRAFT

Question No. 665—**Mr. Peters:**

1. How many civilians have been carried in R.C.A.F. aircraft between (a) January 1, 1963 and December 31, 1963 (b) January 1, 1964 and March 31, 1964?
2. In each case (a) what was the name and address of the civilian (b) what was the extent of the flight (c) why was it approved by the air force in each instance?

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, last Thursday the Secretary of State for External Affairs tabled the statement made by the secretary general of the United Nations regarding the situation in Cyprus. I want to ask the Secretary of State for External Affairs whether, as a result of the proposals contained in that statement, the situation has improved any and if there is some hope that we can prevent it from degenerating into what the leader of the opposition in the British parliament has called "supervised genocide".

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the situation in Cyprus has very considerably improved since the additional objectives and steps were outlined in the report of the secretary general to the security council. As a matter of fact some measure of tranquility began, as my hon. friend will recall, the day before.

While I am on my feet, I may say that Australia and New Zealand have agreed to send police detachments in answer to the request of the secretary general. Austria has already sent a police component and a hospital unit. There are some grounds for thinking that another country may send a battalion of troops.

MALAYSIA—REPORTED THREAT BY PRESIDENT OF INDONESIA

On the orders of the day:

Mr. Andrew Brewin (Greenwood): My question is for the Secretary of State for External Affairs. I apologize for not having sent him notice. Has the hon. gentleman taken note of the so-called "action command" of President Sukarno of Indonesia to 21 million volunteers to fight to crush the Malaysian Federation, and would he tell the house whether any action by way of consultation or otherwise is proposed by the Canadian government either in connection with the commonwealth or with the United Nations in order to meet the threat?

Hon. Paul Martin (Secretary of State for External Affairs): I have taken note of the declaration made by President Sukarno in this instance as well as his other declarations on the situation in Malaysia. Malaysia, as a commonwealth country, will naturally continue to receive the interested concern, not only of Canada but of other commonwealth countries, with respect to the problems resulting from this declaration by President Sukarno.

Mr. H. W. Herridge (Kootenay West): Would the Secretary of State for External Affairs inform the house whether he is giving the same consideration and expressing the same concern with respect to the declaration made by the government of the United States in relation to operations in Viet Nam?

Mr. Martin (Essex East): While there is no relationship between the two questions, the hon. gentleman will recall the very satisfactory reply I made to his question along those lines the other day.

Mr. Herridge: The hon. gentleman did not tell me a thing.

LABOUR CONDITIONS

INQUIRY AS TO STEPS TO DEAL WITH UNEMPLOYMENT

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration?

Over the week end the minister stated that thousands of immigrants are needed, in Canada and in the province of Quebec, to ensure our country's economic expansion. As an economist with a high reputation in some quarters—not everywhere, in some quarters only— could he tell us what steps he intends to take so that our 500,000 unemployed can find reasonable work to ensure Canada's economic development?

[*Text*]

Mr. Speaker: Order. I wonder if the hon. member would put this on the order paper. The reason I am asking is that questions should not be of a nature requiring a lengthy and detailed answer.

[*Translation*]

Mr. Caouette: Mr. Speaker, I ask that my question be dealt with at ten o'clock tonight.

[*Text*]

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO ESTABLISHMENT OF SECRETARIAT

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, may I direct a question to the Prime Minister?

Could the Prime Minister give the house some details regarding the central secretariat which is to determine and co-ordinate the federal-provincial policy, whose establishment was announced during the week end by the Minister of Justice?

[*Text*]

Mr. Speaker: I do not wish to prevent any short answer but it seems to me that this question requires quite a detailed and long answer, and under the rules as given to me I suggest to the hon. member that he might put it on the order paper.

Mr. Martineau: Mr. Speaker, the only observation I have to make is that the Minister of Justice announced the formation of this secretariat during the week end, and I would think that as it involves government policy the Prime Minister might like to let the house know something about it.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the formation of this secretariat was also announced in the house some weeks ago.

CANADIAN FLAG

INQUIRY AS TO REPORTED STATEMENT BY PRIME MINISTER

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister. Since the Prime Minister, in Espanola, spoke of symbols when referring to flags, is it his intention to give Canada two flags, the red ensign and the maple leaf?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this question has been answered

more than once in the house. It is too bad my hon. friend does not listen to these answers.

[*Translation*]

Mr. Pigeon: Mr. Speaker, the Prime Minister spoke of several symbols, of several flags.

[*Text*]

Mr. Speaker: Order, please. Under our standing orders the hon. member has not any right to insist on an answer.

HUMAN RIGHTS

MONCTON, N.B.—ACTIVITIES OF CHRISTIAN ACTION MOVEMENT AND INTELLIGENCE SERVICE

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Prime Minister. Did the Prime Minister receive a telegram over the week end from the mayor of Moncton, New Brunswick, about activities in Moncton of the so-called Christian action movement and the Canadian intelligence service, and will the strange manoeuvring of this fringe group be fully investigated consistent with our basic freedoms?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I received a telegram which was on my desk this morning, and I am looking into the matter. I appreciate its importance.

VETERANS AFFAIRS

SASKATOON—SUGGESTED NAME FOR NEW VETERANS HOME

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question for the Prime Minister. The government having seen fit to name the airport in North Bay after the late Hon. John Garland, with which action I agree, would it not now name the new veterans home in Saskatoon the "Harry Frank Jones home" in memory of the late member of parliament for Saskatoon?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that is a very appropriate suggestion for the hon. member to make, of course. As to the first part of his question, which I take it is not related to the latter part, this announcement was made after a unanimous request made to the government by the North Bay municipal council.

CROWN ASSETS

VANCOUVER—DISPOSAL OF SITE OF R.C.A.F. STATION KITSILANO

On the orders of the day:

[Mr. Pearson.]

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, I wish to direct a question to the Prime Minister. Could the Prime Minister give the house an assurance that no final government decision will be made on the question of the disposition of the Kitsilano R.C.A.F. base, transferring that land either to the C.N.R. or to any other government agency or department, until after the delegation from the city of Vancouver has been heard?

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to discuss this matter with my colleague the Minister of National Defence.

COMMONWEALTH RELATIONS

SOUTHERN RHODESIA—INVITATION TO PRIME MINISTERS' CONFERENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Prime Minister if he is in a position to advise the house whether, despite Ghana's objection to Southern Rhodesia's representation at the prime ministers' conference, Canada's position is that Southern Rhodesia should have representation.

Right Hon. L. B. Pearson (Prime Minister): As we have not yet been consulted on this matter by the government of the United Kingdom, which is the host government to the conference, I do not think it would be appropriate for me to comment on it. However, the prime ministers of independent commonwealth governments, including Canada, would naturally expect to be consulted before invitations to attend a commonwealth prime ministers meeting were issued to the representatives of countries which are not fully independent. Until we are approached in this matter, I do not think it would be appropriate for me to make any statement.

Mr. Diefenbaker: I agree with the Prime Minister. He tells the house that there has been no presentation made by the United Kingdom government as yet. This being so, the right hon. gentleman's answer completely satisfies us.

SUPPLY

Hon. G. J. McIlraith (for the Minister of Finance) moved that the house go into committee of supply.

FAILURE TO DEVELOP CANADIAN WATER RESOURCES

Hon. W. G. Dinsdale (Brandon-Souris): This motion provides an opportunity for members of Her Majesty's loyal opposition to raise

subjects which we consider to be of vital importance to the nation generally.

The subject which I should like to discuss briefly this afternoon has to do with a matter which for many long years in Canada was completely neglected at the federal government level. Though there may have been a brief flurry of interest at the turn of the century, when certain attempts were made by the government of that day to deal with the question of Canada's natural resources, there was no continuing or consistent program of development or exploitation put forward by any Canadian administration until recent days.

I think Canada's record following the end of the second world war was particularly dismal. Those of us who were in the House of Commons in the late forties and early fifties will recall that an attitude of complacency, indeed almost of indifference, prevailed as far as the state of Canada's economy was concerned, particularly with regard to the development of our rich natural resource heritage. Of course this was to be expected when one recalls that the attitude of the federal government was one of complacency concerning most of the major problems which existed in Canada at that time. For example, I could refer to education, agricultural policy, and the challenge of a rapidly changing economy as we moved from a basically agricultural rural environment to an urban industrial environment. There were no major attempts, I submit, to formulate a national policy on the part of the federal government until fairly recent years.

I think the first attempt on the part of this house to come to grips with this problem took place in 1956 on a motion such as the one before us today a motion to go into supply. The leader of the opposition of that day moved an amendment which provided an opportunity for a comprehensive discussion on the development of Canada's natural resources, or what was referred to as a program of natio nal development. The leader of the opposition at that time, Hon. George Drew, delivered a speech which in my view outlined the pattern which has been pursued ever since that date which I think was July 9, 1956. He was supported by other members of the opposition of that day including my hon. friend from Prince Albert (Mr. Diefenbaker) who was, within a fairly short period of time, to become the leader of the opposition and then, in an even shorter period of time, leader of the government in this house.

I do not intend to review the speech made on that occasion because it has, I suggest, become a well known point of reference from which have flowed the major developments which have since taken place at the national level through the activities of this parliament. It was referred to in basic terms as a national development program. However, perhaps I should mention one of the highlights just to indicate how pertinent the statement was and how consistent the Conservative policy has been since those days.

First of all it referred to Canadian participation in the development of our natural resources. That was a positive approach, not a punitive one as was the case in the famous Gordon budget of 1963. The mistake would never have been made if the new Liberal administration had followed the positive and constructive proposals that were made in 1956. It referred to the necessity of providing tax incentives.

Mr. Winch: May I ask the hon. member a question. Is he now going to bring in what the Conservatives did in the six years following the statement to which he has referred?

Mr. Dinsdale: Mr. Speaker, I am preparing the way for the amendment I shall move, and I think the hon. member will discern fairly soon the direction in which I am heading. This is my introductory statement, and I am sure that in a very short time the hon. member will have the precise statement of the amendment that will be moved.

Mr. Winch: Are you going to leave out the six years you were in office?

Mr. Dinsdale: Perhaps I might continue with the statement I was making. I was pointing out that the second vital aspect of the program was to use tax incentives in order to encourage research activities in every part of Canada. This has since become a part of federal government programming. It was recognized in those days that Canada was far behind at all levels of fundamental research.

The question of Canada's vulnerable position in relation to trade was also mentioned. It was at that time that the problem of the disastrous imbalance of trade was brought before the house, and policies were initiated by the previous Conservative administration to stimulate Canada's trade. These basic policies have largely brought about the very beneficial situation that prevails today.

The speech also made reference to industrial development and the necessity of the government of Canada encouraging the trend then naturally under way by virtue of the very process of social change. This was also to become part of the policy introduced by the former Conservative administration to encourage industrial development.

Mr. Winch: May I ask the hon. member what the point of grievance is that he is raising?

Mr. Grafftey: This is not a grievance period.

Mr. Dinsdale: The next major step forward in this program was the statement made in February, 1958 in the city of Winnipeg by the then prime minister of Canada, now Leader of the Opposition. That was the occasion when in specific detail the national development program of the government of that time was put forward. The city of Winnipeg was chosen for a very good reason. It is right in the centre of Canada geographically. It has always been regarded as the gateway to the west and the north, and it would seem to be the pivotal point around which any major, massive, national development program should take place.

I want to pick out one specific point that was raised on that occasion. At that meeting the prime minister of that time called for the convening of a conference on conservation, on the wise management and multiple use of Canada's renewable resources. The challenge issued was a challenge to all the people of Canada. All levels of government and industry as well as the educational leaders of the nation were challenged to come together in a conference that would be convened by the federal government in order to deal with the critical situation in Canada's natural resources.

The crisis was all the more urgent and deepseated because of the long years of neglect to which I have already referred. To show how quickly the challenge was met, I point out that the first meeting to bring about a conference of this kind took place on November 17, 1958, I believe, and the response to the challenge as demonstrated at that meeting was overwhelmingly positive. It was a clear indication that all levels of government, particularly the provincial governments, were aware of the situation that had been outlined by the prime minister. A steering committee was formed which was made up of representatives of each of the provincial governments, and plans proceeded rapidly to bring about a gathering of Canadians from all walks of life in order to meet the challenge of the crisis that had been created by long years of neglect.

Perhaps it would be useful to outline why the situation had been allowed to deteriorate to the serious level which made such dramatic action necessary. It was only in the early part of this century that Canadians began to realize that our resources were not unlimited. We had been largely motivated by the frontier concept of there always being new worlds to conquer; therefore we had proceeded to waste our rich heritage of natural resources, particularly our renewal resources.

The first attempt to which I have referred briefly, occured in the early part of the century, but it was a conservationist approach in the negative sense. The problem was approached from the static concept which conceived of saving or preserving resources rather than making the best economic use of them. The challenge that was issued by the prime minister in 1958 involved a new, positive concept of wise management and the planning of the development of our resources in that it was geared to the economic needs of the nation. Instead of being a static, preservationist concept, it viewed the development of these resources in terms of the economy into which Canada was moving in the post-war world.

The basic problem, of course, in meeting a challenge of this kind is that of overcoming the areas of jurisdictional dispute. The resources belong to the provinces. The initiative to develop national policies belongs to the federal government. I think this is the major reason why for years there had been such serious neglect. The old buck passing or log rolling technique had been used with a vengeance by both the federal and provincial levels of government. If a problem was brought before the house it was ignored simply by making the statement that this was a matter that came under provincial jurisdiction. In order to get anywhere with a national development program the buck passing technique had to be overcome. The fundamental approach, therefore, of the planning for what became known as the resources for tomorrow conference was to deal with this area of dispute as between provincial responsibility and federal responsibility.

The warm, positive response of the steering committee was manifest from the outset and was a demonstration of the success that was going to crown the efforts of this important federal initiative. More important even than the steering committee, made up of provincial ministers, were the advisory committees that were organized to develop and support the efforts of the steering committee. There was brought together for the first time a group of Canadians who represented a broad body of knowledge in the field of renewable resources. This was the first time any attempt had been made to bring together Canadian human resources capable of meeting the challenge of this problem.

During the period of preparation, which occupied some two years, there was brought together a group of experts on soil, water, wildlife, forest conservation, and so on. Background papers were prepared numbering more than 80 I think, important as the conference itself was, this great body of experts and body of information that was brought together in

order to make that resources for tomorrow conference the great success that it was, when it finally took place in 1961, was even more important. I believe too that it was the first successful model for the type of co-operative federalism that has been mentioned in recent months. This discussion and preparing of plans for our renewable resources was described as an exercise in co-operative federalism. It was quite a different exercise from those that have taken place in recent months. This was consultation in anticipation and not retroactivity. In other words the federal government, realizing it was making initiatives in a very sensitive area of federal-provincial jurisdictional dispute, consulted with the provincial leaders. As a result there was complete harmony when the conference took place which ushered in the positive results with which I shall deal in a moment.

Unfortunately this term "co-operative federalism" has been bandied around to such an extent that it describes all sorts of encounters between the provinces and the federal government. It is almost in as much disrepute semantically as the word "peace" used to be in the days when those who were not necessarily in pursuit of peace used to refer to themselves as "the peace loving peoples of the world". If you are going to get co-operation in dealings with the provinces, I submit to the government you cannot get co-operation after the event. We have had enough experience with the problems that have been created by the failure to consult, by the failure to give recognition to the area of authority of the provincial government in recent months. You must consult in anticipation rather than following frustration in dealing with these problems.

As a result, even before the conference itself was held various positive results began to be seen, and this in the face of changes of government at the provincial level while these preparations were going on, changes of ministers at the federal level and at the provincial level. For example, the so-called quiet revolution in Quebec took place during the period of preparation for the conference, and it was thought that there would be difficulty with the new administration in Quebec. The minister who joined the steering committee representing Quebec was Hon. René Lévesque, who was the holder of certain viewpoints concerning matters pertaining to federal-provincial co-operation. Mr. Lévesque joined the steering committee, and it is interesting to note he became one of the most enthusiastic supporters for the idea of the resources for tomorrow conference, an excellent illustration of how a reasonable and responsible approach to these matters can achieve results. When it was decided to proceed with the program it was decided that the resources ministers council, backed by a secretariat, would be located in the city of Montreal. Incidentally, it was to be a completely bilingual secretariat. This action represented a new concept in overcoming this jurisdictional problem in that it was a secretariat responsible to Ottawa and responsible to the provinces, and also at the service of the universities, and private industry. Canadians interested in the resources field felt that this was a major break-through in real co-operative federalism.

Mr. Diefenbaker: Just for the record, what was the date of that?

Mr. Dinsdale: The establishment of the resource ministers council took place in September, 1962, I believe, and the meeting was held in the city of Toronto.

In order to demonstrate the sincerity of the intent and purpose of the federal government, to indicate that we were following what could best be described as a basis of co-equality between the levels of government—because when you are in the sensitive area of resource development it has to be approached on the basis of co-equality—the device of a rotating chairmanship was created. The chairman of the steering committee was the federal minister. He was also chairman of the conference, and the first chairman of the resource ministers council. The chairmanship then passed on to the representative of the province of Ontario. The next chairman was the representative of the province of Quebec, and it was during the period of his chairmanship that the character of this program that could genuinely be called co-operative faderalism was initiated. The current chairman is the minister of resources for Prince Edward Island, and the fact that this is the centennial year for Prince Edward Island was one reason the torch was passed to that minister during this very important period in the history of that province.

Here is a successful and genuine effort at overcoming one of the major problems of national development by an exercise in co-operative federalism in anticipation instead of by hindsight.

Mr. Diefenbaker: After frustration.

Mr. Dinsdale: Yes, after frustration. As I was pointing out, this enthusiasm, contrasted with the frustration in programs of mutual responsibility today, was such that the governments agreed to proceed with the major program of resource development before the conference had even met. I refer to the ARDA program, the Agricultural Rehabilitation and Development Act passed by this house in the

spring of 1961. The conference did not take place until the fall of 1961. Here is a major breakthrough in rural redevelopment, in the wise management and the multiple use of our renewable resources. If it is applied with the initiative that is necessary at the federal level it could go a long way in dealing with the problem I am specifically going to bring before the house this afternoon.

The national wildlife federation emerged out of the resources for tomorrow conference. It is the first attempt in this country to bring together, on a national basis, the problems of conservation in the important area of wildlife. The federal-provincial parks conference was another by-product of the resources for tomorrow conference, but unfortunately it has been dormant in recent months, again because the initiative must come from the federal government level.

In the interest of recreational development and the wise management of all our renewable resources, the national parks association got under way early last year. This was a spontaneous response by the people of Canada to the conference. It is not connected with any government. It is the coming together of people interested in the wise management of resources. One of the leading figures in the movement is Mr. William Baker, who had been the co-ordinator for recreational and parks matters in planning for the resources for tomorrow conference.

As could be anticipated, Mr. Speaker, there was participation in that conference at the top level. The Governor General launched the conference. The prime minister of Canada made a major statement, as did the premier of Quebec and other leaders representing the other parts of Canada. The prime minister's statement was most significant because he was the leader charged with the responsibility of continuing the momentum that had been established by this very excellent conference.

Realizing that he was dealing in the sensitive area of resource development he prefaced his proposals with the words "with the consent and co-operation of the provincial governments," but we in the federal government had to bring something to a head. We had to take advantage of the good will that was generated by this important conference. I shall mention three of the proposals which the then prime minister made. His first was that there should be regular conferences of this type in order to continue the momentum. That was pointed out three years ago, but unfortunately in the interim there has been a slowing down of the momentum.

Second, he proposed the resource ministers council which has now become a reality, and is operating most successfully in the city of Montreal. Third, he urged the establishment of a national advisory land and water use board, and he specifically emphasized the urgency of the matter in respect to water resources because already the crisis was upon us. Unfortunately, up to the present time nothing has been done in this area. There has been a whole slowing down of the process of co-equality, intergovernmental co-operation, and the initiative represented by ARDA, the federal-provincial parks conference, and the other matters to which I have referred, all because there has been a lack of leadership at the federal government level.

Indeed, there has been so much dispute, controversy and misunderstanding during recent months that one could hardly anticipate it would have been possible. I have reviewed the history because unless we reviewed the sudden change in the co-operative climate of Canada which has taken place since April, 1963, it would be impossible to appreciate the enormity of that change. In the resource area we moved together with absolute understanding and co-operation, and I may say this is the most sensitive area of federal-provincial jurisdictional dispute. Unfortunately the whole picture has been blurred and disrupted just at the time when the conservation crises was becoming most severe.

Why did the right hon. Leader of the Opposition suggest and urge that a national advisory board be established on water conservation? The answer is abundantly clear. It became abundantly clear during the preparation of the resources for tomorrow conference that we had reached a point of no return in the wise management of this basic resource. Water is basic to the well being of the nation. It is basic to all human life. Though the North American continent, and Canada in particular, seemingly has an abundance of fresh water resources, Canada, with its relatively small population as compared with other industrialized nations of the world, is already faced with critical problems in the water resource area.

Right here on our doorstep we have water pollution in the Ottawa river. This is one river which has been badly polluted in recent years. We have a water shortage in the great lakes. There is a critical water shortage problem throughout southern Ontario. It is a problem that covers the whole area of the Canadian economy as well as all aspects of life. Whether you fish in it, whether you sail boats on it—this is the recreational aspect—whether you put it on crops or whether you build summer cottages beside it, water is vital and fundamental to the continuing progress and prosperity of the Canadian economy.

It is the one vital renewable resource and, if it is to be wisely managed for the future, it must have applied to it the multiple use

concept that was put forward in that speech in Winnipeg in 1958. Why have we neglected it thus far? The remarks I made with reference to our general attitude to renewable resources apply here. There is the seeming abundance of it.

The British North America Act was a very wise document but it failed to recognize the interrelationships that exist among all our renewable resources, and up until recent times the only federal initiative in the area of water resources was the interest of the Canadian government in navigation and fishery matters. It was the provinces who led in attacking the problem. They were forced to because there was no response from the federal government. The province of Ontario, under a Conservative government—and it is more than coincidence that Conservative governments have always been identified with positive approaches to conservation matters—established the water resources commission in order to deal with the problem in Ontario. But a province by itself cannot deal with it. The hon. member for Burnaby-Coquitlam will be fully aware that it is beyond the capacity of an individual province to deal with.

In bringing this matter before the house this afternoon I do not have to go into details. We have the documentation of the resources for tomorrow conference, three volumes of which spell out in detail the message that the crisis is upon us. It was for this reason that the prime minister of the previous Conservative government put his finger on this one aspect as the most urgent and critical problem. It was for this reason that the previous Conservative administration introduced the sewage disposal plan which has been so eminently successful, at least in one area, that of dealing with the problem of pollution which had reached such a crisis that the major cities of Canada were short of adequate, fresh water supplies. It was for this reason that we used the Canada Water Conservation Act, which had been on the statute books of Canada since the early 1950's but had never been used, to support such major watershed control programs as the metro Toronto water conservation program where, for the first time in Canadian history a comprehensive and massive approach is being made to resolving the water problems of that city. It was for this reason that the government proceeded with the construction of the Saskatchewan dam, which project had been criticized by the previous Liberal administration, with the exception of the minister of agriculture Hon. James Gardiner, who was one of the first to congratulate the government of Right Hon. John Diefenbaker when it made the decision to go ahead with this vital, multiple-use water control program on the prairies. It was for this reason, too, that the water control program on the Saint John river was proceeded with.

These all went forward in the comparatively short period that the Conservative government was in office, and the initiative was indicated by that important statement that was made in 1958. I would suggest to the government, Mr. Speaker, that there has been a slow down; there has been a tragic loss of momentum. The problems were urgent and critical a year ago; they are more so now, because there has been no new initiative of any kind in this area, notwithstanding the promise of the present government of 60 days of decision that would shake the nation. There has been no new initiative in this area of renewable resource development. Therefore, Mr. Speaker—and others will be specific concerning ARDA and other problems that I have merely outlined to the house in preparation of the amendment—I move, seconded by the hon. member for Victoria-Carleton (Mr. Flemming):

> That the motion be amended by striking out all the words after "that" and substituting therefor:
>
> This house condemns the neglect of the government in failing to establish a co-ordinated national water policy and in ignoring the imminent national crisis in water resources management, which is evidenced by the critical low water levels of the great lakes and other national waters, the increasing pollution of national waters—

Perhaps we could—just by way of aside—have included in that "the increasing pollution of the political life of the nation", but that is not in the amendment here. It says—and I repeat the last few words—

> —the increasing pollution of national waters, and the urgent necessity of conserving water resources for the benefit of national resource development in Canada;
>
> And urges the government, in the interests of national development, to take immediate action to make up for their year of neglect of this problem by forthwith:
>
> (1) establishing a national advisory committee on water resources to assist in co-ordinating national resource development;
>
> (2) accelerating the application of ARDA policies to the problems of national resource development, and,
>
> (3) vigorously continuing and expanding the water and other resource development programs conceived and established by the previous Conservative government.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I had intended to wait my turn until later, but if no other hon. member at this moment is prepared to speak on this very important subject, I would like to speak on it myself, with particular reference to water levels. I would particularly mention the very serious problem facing this country in connection with water levels on the great lakes and the St. Lawrence seaway system. There

are actually two grounds of complaint that I wish to put forward in supporting this motion, which sets out the very clear and consistent policy of resource development that was initiated by the previous government, and the fact that no continuation of this policy is in evidence.

I want particularly to mention first the failure of the present government to recognize the dangers of the situation which has developed since last summer with regard to low water levels; and second, the complete breakdown as far as we can see of any co-ordination of effort on the part of the government. These are the two particular subjects with which I wish to deal. As far as the first is concerned, the failure to recognize the dangers of the situation, despite persistent questioning by members of the official opposition over the past several weeks, there is no evidence of any real concern on the part of the government in regard to this serious problem. When any individual member of the government is pressed into a corner by persistent questioning, we get the general answer which is, in effect, "There is nothing we can do". We have pressed our questioning on various members of the government in an effort to find out whether they really understand that there is a serious situation and that something can be done about it.

Despite many useful suggestions with regard to courses of action that can be taken, we have had no indication from the government that any such action is contemplated or is under consideration. It may be said that there is not anything that can be done, that this is an act of God and is caused by a lack of precipitation, and that we just have to pray for rain, as the Minister of Northern Affairs and National Resources (Mr. Laing) once stated. There are many people in this country, and I am one of them, who believe that there is something that can be done. There is something that can be done on a short term basis, and there is something that can be done on a long term basis.

For example, last week we had indications in the press that there were major works being contemplated at the exit from lake Huron by the United States corps of engineers. They are proposing to construct certain concrete weirs or, as they were described today in answer to a question from the hon. member for Simcoe East (Mr. Rynard), submerged sills, which will have the effect of slowing down the outrush of waters from lake Huron which ultimately find their way out of the St. Lawrence river and into the sea. We did have an indication that this was being done. Last week another hon. member and myself raised this matter and the Minister of Transport (Mr. Pickersgill) answered it in general terms. He said that there was a water problem but made no reference whatever to the question of co-operating with the United States corps of engineers.

We believe, Mr. Speaker, that an inquiry should be undertaken into the amount of water being taken out of the great lakes at Chicago and elsewhere. This question has been raised year after year and we are still in doubt as to whether or not the amount of water being removed from the great lakes system at Chicago is that which is contemplated by the international agreement. Many people believe that there is more water being taken out than is realized. There is before the house at the present time a notice of motion in the name of the hon. member for Pontiac-Témiscamingue (Mr. Martineau) concerning the grand canal concept, which is a diversion of waters from the Harricanaw and other rivers flowing into James bay to be taken into the great lakes system. It is interesting to note that the United States authorities have indicated that this seems to be the only answer they can devise to offer any long term solution. We have not heard anything from this government as to whether or not they are going to undertake feasibility studies on this project. Since this is the only answer which has been forthcoming on the long term, surely the government is giving some thought to the question; and I am sure that the hon. member for Pontiac-Témiscamingue will be raising the matter again at the very first opportunity. It is something which can be done, even if it is a long term project. Feasibility studies on this project would undoubtedly prove successful and we hope that the project can be undertaken.

Another project which can be undertaken, Mr. Speaker, concerns temporary access to wharves on the great lakes and on Georgian bay. I am glad to see the Minister of Public Works (Mr. Deschatelets) in the house because he made a statement on Friday during the course of his estimates with regard to dredging. I agree that as far as he went there is ground for caution in connection with dredging along the edges of wharves which are now troubled by low water conditions. I am sure that this is something which has to be dealt with carefully. But there is an aspect about which I questioned him the previous day and which he did not deal with, and I should like to draw it to his attention now. This is the question of access to wharves where there is sufficient water but where the wharf is now five or six feet above the surface of the water. For example, in my riding two or three major wharves on Georgian bay have plenty of water for boats to get in, but there is no way of reaching the

surface of the wharf from a small boat, or even from a medium sized boat. Temporary emergency measures are required in order to provide steps or a temporary platform, or something by means of which people can reach the top of the wharf. I am sure there are many wharves in this position.

I have been told that on one of the wharves on Georgian bay at Pointe au Baril people have to beach their boats some distance away from the wharf and walk around to it. A week last Saturday night a man fell off the wharf while trying to get onto it from his boat, because the top of the wharf was too high above the level of the water. Emergency measures should also be undertaken to construct walkways where there is insufficient water to use the wharf. I think these matters must be considered, and in addition dredging is feasible in some places. Here are four or five definite projects which could be started on immediately, one of them long range, others short range and immediate, to reach the waters and to keep navigation going.

This is not just a local problem on the great lakes and Georgian bay; it is a national problem. Its first and major effect is on shipping, and not just on the small boats but also on the larger vessels. It affects the carriage of grain, which in turn affects all of Canada. There is difficulty in getting into some of the elevators. There is a difficulty in connection with elevator facilities. I am told by the hon. member for Grey North (Mr. Noble) that some of the grain boats are finding difficulty in getting into the Owen Sound elevators. I am also told by the hon. member for Simcoe East, who is listening, that there are problems involving delays to shipbuilding at Collingwood. These problems which I have mentioned concern more than just small boat navigation; they are major problems.

Then there is another point relating to small boats, which is directly a tourist problem; and unless some action is taken immediately or some long term project is promised, I am sure there is going to be a serious discouragement to tourists and a decline in the use of tourist facilities. It is going to be very serious this summer. People are prepared sometimes to put up with minor inconveniences if they expect to put up with them for just one season, and that the following year there will be improvement; but unfortunately the forecast I have seen is that there may be, and most likely will be, a water shortage again next year.

I believe it is essential that the government give some indication that they are doing something about this problem and can give us some hope that late in 1964 or in 1965 this work will be done. Many people believe that a quick answer is available with regard to the slowing down of the outflow of water from lake Huron, but we have had no indication of this. If the tourist business suffers this year it will result in one of Canada's major sources of foreign currency being badly cut down. Since about 1961 there has been a constant increase in our currency exchange with the United States, owing to tourist revenues. Prior to 1961 the situation was bad in that regard, but it has gradually improved, and if this improvement is now damaged by the discouragement of tourists we will have not only a local problem on the great lakes and in Georgian bay but a currency problem for all Canada.

We also have loss of water resources. If it is true that there is an unusual outflow of water from lake Huron and that it is escaping more than ever into the St. Lawrence river and thence into the sea, we are losing all of those benefits which come with water. I have tried to outline only some of the serious dangers we are facing in Canada in this regard. I hope the government is undertaking measures which will relieve the fears of so many people, but so far we have had nothing except evasion, and evasive answers to questions.

The purpose of this motion and of my complaint is not to place the blame for the low water on anyone. It is a situation which we have to face. My hon. friend from Brandon-Souris (Mr. Dinsdale) indicated that a water resource policy had been embarked upon, but that it seems to be slipping. Regardless of what has happened in the past, it is obvious from the figures that the levels of water in the great lakes are seriously low. I do not blame the government for this in the short term. I am trying to show—and I hope to be able to prove this before I am finished—that low precipitation is not the sole cause. This is where blame attaches to the government; they have accepted too easily this plausible explanation—lack of rain. Certain figures were given to us today in answer to question 661. It is true that precipitation has been lower, but the shortage of rain does not seem sufficiently serious to explain the results in terms of the significant lowering of water levels. There must be other causes. I have suggested some of them, and I think the government would do well to recognize that the present situation is a result of causes other than lack of precipitation. If the government really believes that this is just a matter of insufficient rain, and that we shall have to wait until more rain falls, then I think the administration deserves the condemnation of the house.

I blame the government for not having taken action when the problem became apparent. I blame them for not making a full

inquiry into the situation. I blame them for not having taken action to meet the immediate difficulties and I blame them for failing to indicate long term plans designed to prevent a similar situation in the future. The government's attitude, I believe, was succinctly summed up by the Minister of Northern Affairs and National Resources (Mr. Laing) when he told us to pray for rain. I would remind the hon. gentleman of another saying: "The Lord helps those who help themselves" and I think we shall have to do something in this case to help ourselves, not merely sit back and wait for rain. Lack of precipitation has simply been used as an excuse for not taking action. Certainly, precipitation was lower in 1963 than it was in 1962 and previous years. But it was not lower by very much. In answer to question 655, it was stated that precipitation for 1961 in the upper great lakes area amounted to 28.58 inches. For 1962, it was 27.19 inches, and for 1963, 25.30 inches. There has been a decrease of about three inches in total precipitation in those three years. But in 1956 precipitation amounted only to 27.01 inches, and this is not abnormal.

We were given an answer today to question 661 in relation to a slightly different area. We find that in 1961, precipitation amounted to 30.52. In 1962, it was 28.62 and in 1963 it was 27.32. It is true there was a slightly smaller amount of precipitation in the latter year but the decline is not related to the great difference of between three and five feet in lake levels over the same period of time. The one situation cannot be the sole cause of the other.

This brings me to the question of lake levels. In 1962, according to the answer to a question asked recently, the United States corps of engineers deepened the channel between lake Huron and lake St. Clair by some six feet. It has been stated on several occasions that since the water levels of lake Huron and lake St. Clair are approximately the same it would not really matter whether they deepened the channel by 20 feet—the outflow would be no different. But in question 655 I inquired as to the lake levels of lake Huron, lake St. Clair and lake Erie. The answer is a direct indication of the flow of water. The figures began in 1955. According to the international great lakes datum the level of lake Huron was 579.01 feet. Lake St. Clair was 574.11 and lake Erie, 571.49. In other words, lake St. Clair was five feet lower than lake Huron and lake Erie was two and a half feet lower than lake St. Clair.

In 1963 we find the level of lake Huron was 576.51 feet; lake St. Clair was 571.78 feet and lake Erie was 569.44 feet. These figures indicate that there is definitely a very considerable difference between these lake levels, and therefore that any outflow of waters would be seriously increased by the deepening of the channels. We also find that between 1962 and 1963 the level of lake Huron went down by one foot, and lake Erie only by six inches—these are average levels. This indicates an uneveness in the outflow of water from lake Huron. These figures belie the casual statement that there is no difference in the outflow of waters caused by channel construction. It is obvious that there is a difference, and it is a serious difference.

We also notice that the level of the St. Lawrence at Montreal has not declined to the extent of the upper waters; while it is lower, the difference is not serious. So we are faced with a situation where water is being drawn out from the upper lakes and allowed to flow through the St. Lawrence seaway to the ocean. We would like to know whether more water is escaping from the upper lakes than ought to be escaping.

I mentioned the United States corps of engineers. Very recently we found they were experimenting with weirs or sills to see if they could slow down the outflow of water from lake Huron. I believe the very fact they have been undertaking these experiments indicates their belief that there is another factor besides precipitation involved and, in the second place, that there is something which can be done about it. The Canadian government has certainly given no indication that it is any more than casually interested in these experiments.

Last week I gave the Minister of Transport (Mr. Pickersgill) the opportunity to state that his department was involved in these experiments. Both the hon. member for Lambton West (Mr. Foy) and myself raised the same question on the same day and became involved in a sort of competition to see which of us could get the right to make use of the adjournment debate procedure. In fact we both were successful in getting the right to speak in the adjournment debate on the subject of the experiments being undertaken. The Minister of Transport spoke for three minutes in answer to the question of the hon. member for Lambton West and for three minutes in answer to my question and he never mentioned the experiments at all. We wonder how much co-operation there is and how interested the government is in seeking a solution to the problem.

Another indication is the levels of the inland lakes. If the problem was purely a lack of precipitation one would expect to find that the water levels in most of the inland lakes would be low. This is not the case. The water level of lake Nipissing, which empties into the Georgian bay through the French river,

on April 23, 1964 was one foot higher than it was last year and approximately the same amount over the level in 1962. This surely does not indicate that there is a shortage of water. Certainly lake Nipissing has a control dam by which, under an agreement, the level is kept as close as possible to where it should be, but if the water was just not there the level certainly could not be maintained no matter how many dams were installed.

The same thing applies to the Muskoka lakes. I reside in that area and I am very well acquainted with them. The Muskoka lakes are normal—a little bit down, a matter of inches, but in effect their levels are normal. In most of the other inland lakes in Ontario about which I have inquired the levels are normal, and if the problem were a straight case of no precipitation then surely the levels of these lakes would be down as well. These are the things that make us wonder whether the very simple answer, lack of precipitation, is in fact the whole answer. I think there is something more involved.

After expounding on what I believe to be the lack of action on the part of the government and an improper assessment of the real situation, I should like to go on to my second point. It concerns the lack of co-ordination in the government with regard to this particular problem. No one has tried to tell us that there is no problem. One needs only to look at the pictures that appeared in the *Globe and Mail* last week and in the Parry Sound *North Star,* which is closely associated with the problem, to see that all the large wharves are right out of the water. You can walk around them on dry land. There is a problem, and no one has denied it.

But we have not seen that real concern about the problem which has brought about a cabinet group, or has brought the cabinet as a whole together to try to find an answer to it. We in the opposition have to try in the question period to ferret out from the government what they are doing and who is acting. We began by addressing our questions to the Minister of Public Works (Mr. Deschatelets). The hon. member for Grey North (Mr. Noble) was persistent in his questioning for a number of weeks and we got very casual answers. Then we started to address our questions for a while to the Minister of Northern Affairs and National Resources (Mr. Laing) because he is concerned with water resources as such. He answered our questions for a short time, until he made that unfortunate statement about praying for rain. We have not had an answer from him since.

When the Minister of Northern Affairs and National Resources seemed to be no longer connected with the problem we started to ask questions of the Minister of Transport (Mr. Pickersgill) because the news release concerning the U.S. corps of engineers said that they were working with the Department of Transport. The Minister of Transport started to answer our questions. He took advantage of the adjournment debate to deal with a couple of questions. He stated that he knew there was a problem, that he had discussed it with the Minister of Public Works and they really could not see anything they could do. This was the effect of his answer. He said, as found on page 2698 of *Hansard,* that he had discussed the matter with the Minister of Public Works and they did not see that much could be done because "the water just is not there".

Here again in my opinion is an indication of the lack of concern. On April 15 the Leader of the Opposition (Mr. Diefenbaker) questioned the Prime Minister (Mr. Pearson) about the matter. If you cannot get answers or acceptance of responsibility from other ministers, then you ask the Prime Minister. The Prime Minister said on April 15 that the water problem seemed to be cyclical and that he did not know of any conversations with the United States about the problem. Two days later he tabled an appraisal of water levels by the international joint commission.

The Secretary of State for External Affairs (Mr. Martin), because of his connection with the international joint commission, has made a number of incursions into this problem. He tabled a document, made an evasive answer and then withdrew leaving the field to some of his other colleagues. We have never had any definite answer from him but he has answered the odd question and made the odd statement.

As I mentioned, the Minister of Public Works came back into the act again when his estimates were before the house and made a statement about dredging. He said that they did not think dredging could do anything to solve the problem because it would undermine certain wharves. If that is the case I cannot argue on that point, but there are other things that can be done. That was the sole statement he made.

The Minister of Transport said that possibly ARDA was one of the answers and, along the lines set forth in the motion, he suggested that we have to develop our natural resources and that perhaps the development of more forest cover would be helpful. We are somewhat confused at the moment with regard to whether we should address our questions on this point to the Minister of Agriculture (Mr. Hays) or the Minister of Forestry (Mr. Sauvé)

or to whom we should address them. But certainly we have had no statement from either of these ministers.

In summary, there has been no collective or co-ordinated effort on the part of the government to deal with this problem. I do not know whether there is any cabinet committee. If there is not there certainly should be, but there has been no announcement in the house and no indication of any collective action. This is why we complain. If the problem is what they admit it is, then surely the Minister of Transport, the Minister of Public Works, the Minister of Northern Affairs and National Resources, the Secretary of State for External Affairs and any others who are essentially interested could get together and draw up a statement telling us what they are doing in order to relieve the minds of people in the tourist business, shipping and various other commercial enterprises. This they have not done. The whole system has broken down. As far as we can see, there is absolutely no co-ordinated effort. It seems to be a case of returning to the days when the Liberals were formerly in power, at which time each of the ministers attended to his own department and did not concern himself at all with the others. It appears that this is actually what is happening at this time.

We believe that the problem is not being regarded in a serious manner. We believe that the government is not looking for short or long term solutions to the problem. We have seen no evidence of it. We believe that the government has not co-ordinated its efforts along lines that are absolutely necessary, and that there has been a complete breakdown in the government's approach. We have, therefore, to make the strongest condemnation. We ask them to pull themselves together, to get going on this problem and to give the people some answers. Even if they cannot suggest an immediate solution, they should tell us that they are doing something and tell us what they are thinking about the various solutions I have mentioned, as well as other suggestions that have been made. The only suggestion from the United States authorities has been the grand canal project, and that is certainly a long way in the future. We do need this, it is true, but we also need some immediate action to alleviate the problem, not only this summer but next year as well.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I must tell you that the matter is almost as dry as the water situation in the great lakes at this time.

I think that there are so many important problems in Canada on a national scale that the official opposition might have found another subject matter which the whole population of this country would consider truly significant. This proves without doubt a certain lack of imagination on the part of the official opposition, that is the Conservative party. It shows also the lack of imagination of its leaders and of those who previously dealt with this matter. I have to admit that you would need genius to speak on a matter such as this for two days, and the Conservative members are rather bold to inflict it for two days on the house.

Mr. Speaker, there would have been some important problems—I see that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) considers this a laughing matter. But would it not have been more appropriate at this time to discuss and examine a significant issue like agriculture in this country?

Mr. Pigeon: Mr. Speaker—

Mr. Grégoire: I see that the hon. member for Pontiac-Témiscamingue (Mr. Martineau)—

Mr. Pigeon: Would the hon. member allow a question?

Mr. Grégoire: Yes, but not two at the same time; I am very sorry, but each one in his turn.

[*Text*]

Mr. Martineau: I rise on a point of order. I believe the hon. member for Lapointe knows the rules well.

[*Translation*]

The hon. member is well aware of standing orders. Perhaps the subject does not please him, or perhaps he forgot to talk about it. However, he must specifically speak to the subject matter moved by the hon. member for Brandon-Souris (Mr. Dinsdale).

Mr. Grégoire: Mr. Speaker, I would not suggest this subject is not important, but I may say that some others are much more important, at the present time, in Canada.

Mr. Pigeon: May I ask a question?

Mr. Grégoire: The subject chosen by the Conservative party shows its lack of imagination, and that is indeed the reason why it was defeated in the last election.

Mr. Pigeon: I only wish to direct a question to the hon. member.

[*Text*]

The Acting Speaker (Mr. Batten): Order; is the hon. member for Joliette-L'Assomption-Montcalm rising on a point of privilege or to ask a question?

Mr. Pigeon: To ask a question.

Mr. Martineau: I think Your Honour should rule on the point of order. The hon. member should remain on the subject. It is broad enough, and surely he has some pertinent remarks to make.

The Acting Speaker (Mr. Batten): I presume the hon. member for Lapointe has a copy of this amendment before him. I hope that during the debate which will follow he will stay as closely to the subject matter as possible.

[*Translation*]

Mr. Pigeon: I wish to put a question to the hon. member for Lapointe. If he reads the motion, he will see that he can deal with ARDA, which is an exceedingly important program: agricultural rehabilitation.

Does the hon. member not believe ARDA could, in the long run, greatly assist all social classes, including farmers?

Mr. Grégoire: Mr. Speaker, I can say to the hon. member for Joliette-L'Assomption-Montcalm that I have read the motion so well that I have prepared an amendment concerning paragraph 2 and ARDA.

However, if I read the motion over again:

Accelerating—

Mr. Speaker, I wish to say that we received this motion in English only. Besides, that is customary for the Conservatives; that is what they usually do. While we try to supply our motions in both languages, they do not show us the same courtesy.

Mr. Pigeon: On a point of order, Mr. Speaker. We had two copies of the motion in French. The hon. member should know that.

Mr. Côté (Chicoutimi): We did not get any.

Mr. Grégoire: The group to which the hon. member for Chicoutimi (Mr. Côté) belongs did not receive one in French either. If there are any, they should send them to us.

I am precisely quoting the paragraph concerning ARDA:

[*Text*]

—accelerating the application of ARDA policies to the problems of national resource development—

[*Translation*]

Since when does the development of natural resources come under the federal government? The constitution always taught me it was a provincial matter. That goes to show once again the centralizing tendency the Conservatives always followed when they were in office.

Mr. Speaker, I shall stick to the matter now before us, but you will understand, as I do, that this matter, not only does not belong to the category of our most important problems, but also flies in the face of the general outline of the Canadian constitution.

[*Text*]

This house condemns the neglect of the government—

[*Translation*]

They are always ready to criticize, but they neither consider nor realize what they did themselves for five whole years. Still, they are ready to criticize.

Since it came into office, the Liberal party has not pulled out of the muddle. We still need lots of improvements, the government should bring us a sensible policy in order to improve the economy. The Conservatives are always ready to criticize everybody while, for the five years when they were themselves in office, they did nothing at all, except put Canada in a state of economic stagnation.

[*Text*]

—to establish a co-ordinated national water policy—

[*Translation*]

Who is in charge of rivers? If there are power resources in the province, do they come under the control of the federal government? Who is responsible for rivers, for the development of our rivers and all our waters? These things are under the jurisdiction of the provincial government.

Since when are centralizing programs like that one established?

And he goes on to say:

[*Text*]

—ignoring the imminent national crisis in water resources management—

[*Translation*]

In other words, who is responsible for the co-ordination of water resources, if not the provincial governments?

After that, when they are in opposition they do not hesitate to give us wonderful speeches against the centralizing leanings of the government, but they overlook what they did themselves when they were in office.

Mr. Speaker, I intend to put forward an amendment which would delete from the motion everything which does not concern the federal government. I intend to base my amendment on subsection 2:

Accelerating the application of ARDA policies.

Not necessarily in relation to national resources development problems, no, but in relation to ARDA itself, the rural development program.

It is probably one of the main problems which we have to solve in Canada at the present time, and it is probably the cause of

stagnation in our country today, especially in eastern Canada, in the maritime provinces as well as in the province of Quebec.

I have noted, for example, in my constituency or in the Saguenay-Lake St. John area, some farmers who have an average annual income of $1,500, $1,600 or $1,800. And this is not a new condition. Let the Conservatives tell us what they did, which was any more than the Liberals, to help the farmers of the province of Quebec. It is a well-known fact that farmers in western Canada could benefit from several thousand dollars a year in the form of loans, while in the province of Quebec, there were scarcely 100 to 105 a year under the Conservative government. But why did they not accelerate the application of ARDA policies, as they say in their motion? They certainly did nothing of the sort in our area, in the maritime provinces or in the province of Quebec.

Those policies were drawn up with western farmers in mind, and they saw to it that those farmers benefited therefrom. We have nothing against the fact that western farmers were able to develop. On the contrary, we are happy about it, but we ask that farmers throughout Canada get the same treatment.

Why are our own regions not offered the same advantages as western areas? We do not wish to take anything from western regions which have benefited from that legislation. On the contrary, we are happy for them, but at least the same thing should be done for our province and the maritime provinces, so that it would apply all across the country and not only to some provinces where the farmers may develop their business and see their economic situation benefit therefrom.

Mr. Speaker, we are talking about waterways, drainage of lands and a little of everything in that field. What has been done in the eastern part of the country under ARDA, regarding drainage? Absolutely nothing, when it was to the great advantage of some individuals. I refer to the ARDA program—I shall remind the hon. member for Bonaventure (Mr. Béchard) that ARDA is also a program for land drainage and other purposes. He should read it over again, and he would see that this is so. But in the province of Quebec or in the maritime provinces, it was not put to work. Action was taken only in some regions of the country.

Mr. Speaker, all this means that when the time comes to consider a motion like the one before us, which will be debated for two days, there are very important problems to discuss and there is no other opportunity to do so.

[Mr. Grégoire.]

This is the second supply motion presented to us and it is the second time that the opposition offers us dull subjects to discuss at the national level.

The House of Commons is certainly not to blame if it rains less or if the water level is dropping. Perhaps there are remedial measures to be taken. But have the technicians considered these remedies carefully when the Conservative party was in office? Never. Clear evidence of this is that no investigation was ordered at that time. Such motions should have been used instead to call the attention of the government to important problems such as agriculture.

Now, Mr. Speaker, I would like to read the amendment we intend to move, so that we may at least deal with a matter of national importance.

I move, seconded by the hon. member for Quebec East (Mr. Beaulé), that the first paragraph be deleted and that, in the second paragraph, all the words be struck out after the word "action", as well as paragraphs 1 and 3, so that the motion reads as follows:

That, in the interests of national development, this house urge the government to take concrete steps immediately to accelerate the application of ARDA.

That, Mr. Speaker, is relevant to the main motion which has left us a very narrow opening indeed. We will now be able to discuss a more particular point, the application of ARDA in the east as well as throughout Canada.

Let us now come to the point. There is in Canada at present a definite set of facts and economic situations. I shall relate all my remarks to that later on, but I should like to start with a few preliminary observations.

We are concerned over unemployment being rather high, but we are taking very weak action to alleviate it, as for instance the winter works program. This cannot really be called a planned or broad program to put an end to unemployment in our country. It is just like bringing coal to Newcastle, and that started a few years ago. Now we are giving Canadian citizens pick and shovel work in winter in order to lower unemployment.

However, there are causes to the unemployment situation. If we care to examine the problem closely, we will see that one of the causes is, partly, the stagnation of our agriculture at the present time.

I will give an example in my own region of Saguenay, many farmers are leaving their farms to go and find work in the city. This increases, nevertheless, the number of unemployed in our municipalities.

Here is another example. It is noted that in the province of Quebec there is, at St. Hilaire, a sugar beet factory which produces

a small percentage of the table sugar used in our province and in the country as a whole. Now, if we were to organize, within the framework of ARDA, other sugar beet industries, say, in the Saguenay area, the Gaspé peninsula and New Brunswick, then, a good many farmers of the surrounding districts could work and earn a substantial income from that product. At the same time these sugar beet industries could provide work for a number of city workers. This would at least alleviate unemployment and concrete results would be obtained in both cases. It would help some farmers and some unemployed to find work.

What is being done instead? Our sugar is bought somewhere else, when we would be able to produce large quantities of very good sugar in eastern Canada.

Previous governments, however, have always neglected agriculture, as known in eastern Canada, to consider exclusively the wheat problem. They forgot that there existed land capable of producing sugar beets, potatoes, onions, carrots and green peas, etc. Subsidies were given to western Canada only. Once again, we have nothing against these people out west who got those grants. But why not do the same thing in the eastern part of the country where crops are still more diversified?

If we had had more sugar beet factories, if that had been possible under ARDA, then our farmers and workers would really have been helped. Instead, we merely import our sugar from elsewhere, and since the troubles with Cuba—not us but our friends south of the border—we see the price of sugar rising tremendously and, once again, the Canadian consumer suffers the consequences.

Mr. Speaker, some people recently boasted —and this is a good illustration of what I am going to say—that there were signs of economic development, because some large corporations, like General Motors, had established themselves in the province of Quebec. It is true that this corporation will give jobs to a thousand people or so in Ste Thérèse de Blainville, and around Montreal, but why always wait for foreign industries to build plants and reap the profits and the dividends? But what about us in Quebec and Canada, in that context? We are only wage earners, employees, whereas foreign industrialists build up their business in this country, and remain its masters, getting the profits, and we poor Canadians always remain employees, wage earners in those foreign industries.

Mr. Speaker, that is the great drawback of our economic system. We are unable to assume our responsibilities and develop on our own, to remain the masters and owners of our natural wealth, of our industries and our trade. All we do is wait for some foreigners to settle here and do it instead.

I admit that the management of the General Motors Company has been bright enough, and had enough initiative to realize that there was a market for 100,000 cars a year in this country, and hastened to build this plant at Ste Thérèse de Blainville. Now, why should our economic system not allow us to build our own automobile industry, which we would own and control completely, so that we could have our own brands of cars, like many smaller countries, such as Belgium, Yugoslavia and Sweden?

I believe a sugar beet industry could easily be developed if we accelerated the program under ARDA. Had this been done in the past, had this program been applied throughout the country, secondary industries such as canning, could have been established, and the sugar beet industry could have been developed, along with others, and we would not be faced with this situation at the present time. Farmers are no longer able to live on their farms, they leave for the cities and overcrowd the labour market; they contribute to increased unemployment.

If we considered developing our economy in all sectors, in all fields, if we exerted ourselves to diversify it and profit by it, instead of waiting for foreigners to come and do it for us, then, we would be the masters. Why not try to produce at home what we can use, instead of importing? I remind you of the example I just gave, that of the sugar beet industry, which could be developed in the province of Quebec. At the present time, we produce only a small percentage of the sugar needed for Canadian consumption. We would be able to produce much more, and we would thereby avoid importing almost all the sugar we use in Canada.

Then, the farmers would work and enjoy a much happier life. They would have better living conditions and the number of unemployed would be reduced.

What I mean is that we do not feel capable of progressing by our own means. Let us do it ourselves.

Mr. Pigeon: Mr. Speaker, may I direct a question to the hon. member?

I know that in theory his suggestion to the effect that we become masters in our own house is excellent. But would the hon. member think that the Arvida plant should be closed because it is owned by foreign interests?

Mr. Grégoire: For those who are superficial, that may seem true at first sight, but I was explicit in the statement I made at the outset of my observations, when I specified the condition of the industries which could be developed at the national level, that is by the

country itself. That is an industry of a national character. The aluminum industry in Arvida is an industry of an international character, because it imports bauxite from foreign countries such as Venezuela, for instance, to process it in Canada. The finished product is then sold on world markets. It is typically an industry of an international character, but when I talk about the sugar beet, which is primarily a raw material which could be processed and sold here, the matter is quite different.

If the hon. member for Joliette-L'Assomption-Montcalm were a little less superficial, he would analyse the kind of industries according to their own nature and would realize that it is possible to develop our industries ourselves and for ourselves, while some other industries have an international character which it would be difficult for one country such as Canada to control. If, for instance, Venezuela should nationalize the bauxite industry, Canada would be seriously affected, and then an industry of an international character could not be maintained.

On the other hand, a number of purely national industries, like the sugar beet industry which I just mentioned as an example, might be developed. As I say, of all our industries, the sugar beet industry is one with a national character; we have the raw material, and it could be developed and we would have a market for sugar.

All that should be installed, organized, put into operation as soon as possible, by accelerating, as it is requested in the motion, the application of ARDA, as provided in the act. Why is it not done? Because it seems that the government does not want to take long term, middle term or short term steps in the efforts it makes in all fields.

The policy of this government seems rather directed at alleviating certain conditions by half-measures, like for instance, winter works. Men are required to work with pick and shovel to build drainage systems, in order to give work to the greatest number of unemployed. That is the purpose of winter works. Why not put them all to work by giving them table spoons and putting machines and steam shovels in garages? Why are those men not used to build industries in the country, to build the country and develop it? There are claims to the effect that we need power developments, electric grids. Why not take our unemployed and put them to work on those projects according to a definite development program? In so doing, Canada would experience a rapid development, our economy would be put back on its feet and we would be doing Canadians a service. The government has only been able to find half-measures which are far from being the solution to the development of this country. They simply tend to alleviate slightly the existing unemployment, and only in areas which are of benefit to but a few regions, such as with winter works. Where the climate is more severe, where snow stays longer than elsewhere, winter works are affected and those regions cannot benefit from the measure to the same extent as regions with a more temperate climate. The latter can derive much greater benefit than the former.

We do not approve this motion in its present form because the development of water resources comes under the provinces. To infringe upon that field would be to advocate centralization. It would accelerate centralization and transfer to Ottawa a sphere of exclusive provincial jurisdiction. For instance, paragraph (1) states the following:

> —establishing a national advisory committee on water resources to assist in co-ordinating national resource development.

I say that watercourses do not come under the federal government but under the exclusive jurisdiction of the provinces.

Mr. Speaker, we believe that the government now has at its disposal an act which, if applied more elaborately, more rapidly and more extensively, could help to improve and strengthen our economy.

For instance, if ARDA was adapted to all areas of the country, in the east as well as the west, it could be useful. But, as I already said, it is not adapted as it should be. In western Canada it is easy to secure a $25,000 loan. I think that for a farmer with 1,000 acres of real estate, it is easy to secure a loan. On the other hand, in the province of Quebec the farmer has 100 acres only, but if these 100 acres are well developed, if the farmer uses modern machinery, he can produce as much, from the standpoint of value, as the western farmer who cultivates 1,000 acres but grows wheat only.

But today the Farm Credit Corporation lends much less to the eastern farmer, to the Quebec farmer. Why? Because the Quebec farmer has only 100 acres in land, whereas the western farmer has 1,000 acres, ten times more. Then, the eastern farmer gets a loan five times smaller.

And yet the eastern farmer can in all probability develop his land, get it to produce as economically as the western farmer whose farm covers 1,000 acres.

No help was given the eastern farmer to enable him to modernize his operation and put it on a more economic basis. That practice is not followed in eastern Canada. Why? Because the fact that eastern and western Canada go in for a different type of farming was not recognized.

I am happy to note that Canada enjoys such a diversified farm production. We produce wheat in the west, but we must also take into account the production potentialities of the east. That production might be extremely diversified, and I am glad of it, but I also think that we must pass legislation and accept principles, in short regulations, allowing all kinds of culture, and not the development of only one in quality and quantity.

The ARDA program is not achieving its purpose at the present time in the eastern part of our country because it is not adjusted to the type of farming which can be done there.

It is for those reasons that I am going to move a subamendment, and I will send you a copy thereof, Mr. Speaker.

I am sorry that I have only one copy and that I did not have time to prepare it in English. I apologize to my Conservative friends, but the amendment was submitted to us at the last moment, and since I prepared my subamendment from my seat—

Mr. Pigeon: Both languages are official. Preach bilingualism by your actions and not by your words.

Mr. Grégoire: Mr. Speaker, I know that both languages are official, but when it is an official document, such as a motion, an amendment or a subamendment, a copy of which is sent to other members, I feel that it is only a matter of courtesy and good will to make available to them a copy in both official languages. This contributes to make bilingualism more official. Therefore, I move, seconded by the hon. member for Quebec East:

That the first paragraph be deleted and that, in the second paragraph, after the word "action", the other words be deleted, as well as paragraphs 1, and 3, so that the motion will read as follows:

That in the best interests of national development, the house urge the government to take concrete steps immediately to accelerate the application of ARDA.

[*Text*]

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, in my comments this afternoon I want to concentrate specifically on long term planning for water development. Water serves many needs. Some of these, particularly the consumptive uses, are becoming more demanding with the passage of time. Canadians have traditionally thought of water as a great source of energy, a source for the production of hydro-electric power; but increasingly it is becoming important for industrial purposes, for irrigation, for pollution control, process steam, and so on. These other needs are becoming more valuable. In many areas the usefulness of water for power production purposes is still unchallenged, but in time this will certainly change.

Not only are these needs changing in character, and their nature becoming less oriented toward power production, but they are becoming crucial in widening areas of the country. A few decades ago there were only one or two spots in eastern Canada where water was in really short supply. This need has now extended to other areas. It is reaching the proportions of river basins. For example, the St. Lawrence river basin is now in some difficulty, and as these consumptive needs increase the effect of shortages will become more acute. This is a progessive development, not year by year because there are significant cyclical fluctuations but over the longer term; and certainly provision must be made to look after these requirements as they develop. They are moving from purely local problem areas to broader regional areas. In the United States they have become of great consequence from an inter-state point of view. They are becoming national in importance and I would underline the expectation that in the longer run they will also become of great concern on a continental basis. River basins will no longer be regarded as isolated one from the other; water diversions will be made from one area to another in order to relieve shortage. Surplus water areas literally hundreds of miles away from areas in which water is in short supply will be called upon to meet these increasingly valuable and urgent requirements.

I think one might look many years ahead and conceive what might be termed a broad continental approach to water development. If we look far enough into the future it would certainly seem unlikely that all our great northward flowing rivers would flow in their whole amount and uninterruptedly to the sea. Their flood waters, in part at least, will be turned southwards and redirected toward the areas of greatest requirement. They will be directed across the continent in an eastward direction as well as generally southwards. This water will be picked up at points of very high elevation and will swing down around the contours of the continent, so to speak, and used where it is most precious. This will happen earlier in the pre-Cambrian shield area. There is one minor diversion presently in existence, that of the Ogoki, whereby waters flowing into Hudson bay have been diverted ever since the early forties into lake Superior, and this has helped to relieve the initial problems of power production in that area and consumption problems in the great lakes area.

With the passage of time we will be looking at schemes such as the grand canal scheme, which will turn—

[*Translation*]

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

Mr. Speaker: The hon. member for Lapointe on a point of order.

Mr. Grégoire: Mr. Speaker, I rise on a point of order. There is an amendment before the house. Now, it seems to me that the hon. member is still speaking about the main motion while, according to standing orders, he should be restricting his remarks to the amendment now submitted to the house. This amendment precisely deals with the speeding up of the ARDA program while the main motion deals with another subject about which the hon. member is now speaking.

Mr. Martineau: Mr. Speaker, on this point of order, I wish to point out to Your Honour that, according to the practice, we should discuss both the main amendment and the subamendment at the same time. Moreover, even if we were a little more severe in enforcing the rules, the hon. member's remarks would still be relevant, because while discussing the subamendment specifying the deletion of some elements of the main amendment, there is reason to discuss whether or not those provisions of the main amendment should be deleted.

[*Text*]

Mr. Douglas: Mr. Speaker, on the point of order, it seems to me extremely difficult to separate the subamendment from the main amendment. It has been customary in debates of this kind to deal with both at the same time. I have not before me a copy of the subamendment. I imagine that copies will be available, but as the hon. member read it I gathered that it strikes out all references to water conservation and river pollution and confines itself entirely to a discussion of ARDA. I do not know how the hon. member for Coast-Capilano (Mr. Davis) can discuss the merits of the subamendment, which narrows the whole discussion, unless he discusses the importance of the much broader question. It seems to me that to confine him to a discussion of the Agricultural Rehabilitation and Development Act is to narrow the debate in a manner which would not be in the best interest of a full discussion.

Mr. Olson: Mr. Speaker, on the point of order, I too do not have a copy of the subamendment, but in following the remarks of the hon. member who now has the floor I think the area he is covering does have application to ARDA if we include the whole context of the Agricultural Rehabilitation and Development Act.

Mr. MacInnis: Mr. Speaker, on the point of order, it would appear that if the hon. member who now has the floor is not permitted to speak on the main motion there would be some question whether the amendment proposed by the hon. member of the Ralliement Créditistes would or would not be in order.

Mr. Deputy Speaker: Perhaps I might refer hon. members to citation 172 (2) of Beauchesne's fourth edition, which says that an amendment to the amendment on a motion for the house to resolve itself into committee of supply is—

—intended to strengthen or weaken the amendment to which it must be relevant and upon which it is dependant.

My understanding of the practice in these debates is to consider both the amendment and the subamendment at the same time and not to be too restrictive so as to eliminate all discussion which might not be strictly relevant to the subamendment.

I think we should take into account that in order to be acceptable the subamendment must relate in some way to the main amendment. This would indicate that remarks of the type now being made by the hon. member for Coast-Capilano are relevant.

Mr. Davis: I should like to continue by painting briefly a picture of the type of diversion I have in mind. On the Harricanaw river there are freshets flowing into the James bay area during the late spring and early summer, none of which can be captured on site for power production. The great part of this water flows wastefully into the sea. How much better it would be to make use of this water by pumping it back to the divide in the Canadian shield and allowing it to flow into the great lakes system. Power which was, apparently, lost in the course of this operation could be recovered at Niagara falls and at the seaway plants. Thus, the power capacity which was involved near James bay at a very great distance from the main centres of consumption could be recovered ultimately at such points as Niagara and Lachine, where transmission difficulties are relatively slight and where the economics of distribution are much improved.

One can conceive in the fullness of time of water being brought from the northern part of British Columbia and from the Yukon to points further south where it is urgently needed. This is an area of high precipitation, a region where the winds coming across the Pacific drop most of their water burden. It

falls on those high mountains and, by and large, it flows to the sea through the Mackenzie and Yukon rivers. Great opportunities exist for diversions, by pumping and the building of canals, which would bring water down to the prairie provinces. As shortages develop in Alberta and central Saskatchewan, this water could be made progressively available in this way by diverting rivers such as the Athabasca and, subsequently, the Peace river. Later, the Liard and other rivers could be diverted, working backward to the great sources of water I have mentioned. This is one way in which use could be made of all the water that is picked up in the great areas of the Pacific and dropped in those northern mountain regions.

Later on it will be necessary to bring water in some quantity to the arid areas of the prairies. Conceivably, those diversions could be continued even to the great lakes basin. In other words, after decades of time and after the progressive evaluation of planned development, great schemes could be put in hand, not only for the diversion southward of water now running to the north but also for the diversion of water resources in British Columbia and the Yukon east across the prairies to the great lakes system. In this instance, as well, there is a need to put in energy in order to raise this water over divides. I would point out that it is possible to develop power plants earlier in those areas because there is an on-site need to do this. And it is possible to recover a large part of that energy in another place, notably in central Canada. Some of this pumping could be done in the northwest using fossil fuels; perhaps a use could be found for the vast quantities of energy which exists in the oil shale deposits of northern Alberta. There is even the possibility that this water flowing through canals, in some places, could serve as part of a transportation system, at least in summer.

So there is a multi-purpose aspect, here—water, energy production and transportation. Certainly, irrigation is a great consumptive requirement which will have to be met on the prairies, and provision will have to be made for the growing needs of southern Ontario, as well. There is, indeed, a whole field here, for exploration. Some of the projects which could be undertaken are small and are of relatively modest proportions. We should at least ensure that these individual projects fit into a broader plan for the optimum water resource development of this continent.

There is also the whole question of exporting water. I think we have to face this in much the same way as Canadians have belatedly faced the problem of exporting hydroelectric power. Once we commit ourselves to the long term export of water we cannot hope easily to repatriate this resource. It involves a service which moved flow into the factories and homes of thousands, even hundreds of thousands of people on the other side of the boundary. Thus, we have to be most careful about the such commitments. I think it is obvious that the only way to supplement the water supplies into the St. Lawrence system in a substantial manner is by diverting the waters which flow northward into James bay and Hudson bay. They are creating a fair amount of havoc in the north at the moment. They are contributing to the muskeg and to conditions which are not favourable to agriculture and the growth of harvestable forest cover. These diversions will, therefore, conceivably improve the prospects of the far north. But they will, inevitably, be associated with the United States because, by entering into a great watershed half of which is in Canada and half of which is in the United States, they will become more fully available to both countries.

We are faced with a special situation in the diversion of water at Chicago into the Mississippi. There are only a few feet of difference in elevation between lake Michigan and the upper tributaries of the Mississippi river system. Indeed, it only takes a shallow ditch to divert water from the St. Lawrence into the Mississippi. This was discovered years ago. At one time, more water flowed south from the St. Lawrence system into the Mississippi than is flowing today. The United States has from time to time considered making larger diversions but it has, in fact, limited those diversions. I believe the United States has behaved in a neighbourly manner in this respect when one considers that the value of this water and the useage to which it is being, and will be put, are rapidly increasing.

We have an opportunity here, I think, to capitalize on the moneys which could be raised for diversion purposes, and we must carefully assess the long term consequences of diverting rivers such as the Albany and the Severn which flow into Hudson bay so that part of this water would, perhaps, flow out to the Chicago diversion.

We must explore such matters as these in great depth and consider carefully all the contractual relationships involved before any commitments are entered into. Perhaps we have at hand a device by which the water shortages of southern Ontario can be solved along with the water problems of those states of the United States which border the great lakes. In the case of power, different ways

have been found of generating electricity. Operations have become larger in scale and cost has steadily decreased. For this reason it is now possible for us to enter upon long term power export commitments with a sound expectation of being able to repatriate the export power when we need to do so. There is as yet little indication that water can be produced cheaply.

There is some hope that nuclear power plants run primarily for energy production can also be used to produce water. They throw off a great deal of waste heat and most of this at least can be used to make sweet water. Programs of that kind will undoubtedly develop in areas like California and along the Texas gulf coast. Conceivably they can be fitted into an export program which Canada could contemplate. In other words, progressive repatriation may be possible. But these are only possibilities and their economic justification has yet to be proven.

I should like to refer to the financing of great projects of this kind. We have an interesting example embedded in the protocol to the Columbia river treaty. In that instance there has been a substantial need in the United States which has been growing more rapidly than our Canadian need for water and for power. It has therefore been possible through advance lump sum payments to have various interests in the United States finance major developments in Canada. Some of these major diversions, first, the waters flowing into James bay and Hudson bay and perhaps later waters in the northern Rocky mountains, could be financed in this way.

Literally hundreds of millions of dollars could be raised in the United States, They could be accumulated as lump sums. They would be anticipating the revenue over many, many years from the sale of the water. Over such a long period of time the lump sums involved would be very large. More important still to Canada, I think, is the fact that they could be raised at lower interest rates than are generally available in Canada and certainly to individual Canadian provincial governments or utilities. In other words, large amounts of capital could be mobilized cheaply in this way. I believe that they will be offered within a few years time. They will be offered in effect at very low interest rates and their very size will reflect in part the lowness of the interest rate. The lower the rate the higher the lump sum commitment, and Canada will be well advised to look very carefully at these commitments with a view to accelerating the development of some of our northern water resources.

Mr. Prittie: Would the hon. member permit a question? He has been referring to the Columbia river treaty. Would he agree that some of the water that will be stored in Canada, if the treaty passes, will be used for consumptive purposes in addition to power purposes? Would he also tell me if there is anything in the treaty that will compensate Canada for consumptive use in the United States? I am thinking that some of this water will find its way to southern California yet.

Mr. Davis: As the hon. member for Burnaby-Richmond (Mr. Prittie) knows, there are provisions in the treaty which permit both countries to divert for consumptive uses, and it is this use which I am attempting to stress in my speech today. In other words, the waters of the upper Columbia may, during the life of the treaty, be diverted, for example, to the prairies.

Mr. Cooper: Does the hon. member concede that there is a rider to the treaty that the water cannot be used for power purposes? We need water on the prairies, and the Columbia river project is selling our birthright to the United States.

Mr. Davis: The hon. member is reflecting the concern that a lot of Canadians have voiced in years gone by about hydroelectric power. We have the right to divert for consumptive purposes. During the life of the treaty we do not have the right to divert for purposes which are exclusively the production of hydroelectric power, and I think hon. members will discover that this protects us from diversion in the United States as well.

Mr. Clancy: Will the hon. member permit a question? Have we got the right to divert water for domestic consumption?

Mr. Davis: Yes. The Columbia river treaty quite specifically states that Canada reserves the right to divert water for consumptive uses.

Mr. Clancy: What clause is that?

Mr. Davis: I am afraid I do not recall, but it is a clause in the treaty.

Mr. Deputy Speaker: Order, please.

Mr. Clancy: I asked him what clause it was.

An hon. Member: Clause 13.

Mr. Davis: Mr. Speaker, I have attempted in a very general way to sketch out these long term opportunities. I have also tried to emphasize that we should be looking ahead with respect to these great alternatives with a view to ensuring that the projects we undertake in the next few years, over the next few decades, are consistent with a more comprehensive plan of development. I have

struck a note of caution about the difficulties involved, political and legal, in the export of water. I think they are akin to those which we have experienced in respect of power, but I think we will overcome some, if not all of them.

Finally, I should like to refer to one even larger concept, the diversion of the waters of the upper Yukon river. These can be pumped over into the Peace river system and in turn brought down across the prairies to eastern Canada. This river, if no needs develop in northern British Columbia and the Yukon, will be developed largely in Alaska. It will be developed by the U.S. army corps of engineers and other United States federal government agencies in much the same way as the Columbia was developed in Washington and Oregon in the Pacific northwest. Gigantic vested interests will accumulate in Alaska. They will utilize these flows and it will become politically at least, if not in terms of treaty arrangements, more difficult to divert the waters of the upper Yukon when Canada needs them. Were we to enter into some vast scheme ultimately with the United States whereby the diversion eastward of some of the flood waters of the upper Yukon would be undertaken at a relatively early stage, this would anticipate the other difficulty of repatriating water supplied from the Yukon in the years to come.

In speaking specifically to the amendment and focusing particularly on the current difficulties around the great lakes, I might point out that this water supply problem can only be resolved by essentially long term planning. Five years, six years, maybe even a dozen years may be required to carry out the initial stages of these major diversions. Hence a shortage which is occurring today, a little more than 12 months after the present government came to power, cannot be blamed on inadequate measures taken by the present government. Works to look after these shortages in any very specific way would have had to be started in the late 1950's or by 1960 at the latest. In other words, we must look well ahead. We must not be blaming each other for the current shortage, which may pass for a few years but will become inevitably more difficult to solve with the passage of time unless we do something about it.

So we need long term planning. We obviously need the co-operation of the provinces who own these resources. We need to be very careful about measures such as the Navigable Waters Protection Act, which defends the national interest so far as rivers are concerned, and make sure that the provinces do not open great holes in that act so that in the future it becomes virtually impossible for the federal government to co-operate with the provinces on an interprovincial or interregional basis.

I should like to leave hon. members with the thought that we certainly need more long term planning, more co-operative effort, more discussion with the provinces. I agree with the first speaker that the first resources for tomorrow conference was an excellent one. It was well executed and a number of ideas were brought forward then which have been invaluable in the formation of the first plans of this government. But we need more of these conferences and I am sure we will see more of them in the future under the present government.

Mr. Douglas: May I ask the hon. member a question? I understood him to say that the Columbia river protocol did not permit the diversion of water to be used exclusively for the generation of hydroelectric power. May I ask him where he gets the word "exclusively"? I cannot find anything in the protocol which says that water cannot be diverted where it is going to be exclusively used for hydroelectric power, or if it is going to be used for hydroelectric power at all.

Mr. Davis: In answer to the hon. member, I must admit that I am not a lawyer. I have discussed the subject matter with lawyers who agree that this is so, and certainly the government has taken the advice that this is so.

Mr. Cooper: I agree in so far as the hon. member is talking about three or four years, but I want to look at it for 30 years.

Mr. Deputy Speaker: Order; is the hon. member rising to ask a question?

Mr. Cooper: I am asking a question. I want to know about the situation 30 years from now. What are you going to do about the prairies if you sell our birthright to the United States in this Columbia project? What are we going to do for water on the prairies? I am thinking in terms of the Saskatchewan river dam which will be completed in two years. It is said that about 10 per cent of the water from the Columbia, which is a very small diversion, will double the flow of the Saskatchewan river, and in 20 or 30 years western Canada is going to need that water. You are talking in terms of four or five years—

Mr. Deputy Speaker: I hesitate to interrupt the hon. member, but perhaps he should ask a question if that is what he intends to do.

Mr. Cooper: Thank you. Are you looking ahead in terms of 20 or 25 years when this water will be needed in western Canada?

Mr. Davis: I should like to reassure the hon. member that the Columbia river treaty

certainly looks ahead. It provides for the diversion of water out of the Columbia river in Canada at any time for purposes which are primarily consumptive, for instance, irrigation. Incidentally, this diversion can take place without having to pay compensation to the United States for the interests affected, whereas prior to the Columbia river treaty we would have had to pay that compensation. In other words, we are freer to divert water for irrigation on the prairies than we were before.

Mr. Clancy: Would the hon. member explain to me how he can take the water right back, when he has given it away?

Mr. Deputy Speaker: Before I call on the next speaker, I might perhaps mention, in connection with the subamendment submitted to the house, the Chair has before it at the moment only the English version of the amendment and the French version of the subamendment. During the last few minutes the Chair has attempted to relate the one to the other in order to find out to what extent they can be connected. It seems a very difficult task. Perhaps over the dinner hour the Chair might have a chance to see both the French version of the amendment and the English version of the subamendment. While the subamendment may not be out of order at the moment, unless something be clarified during the translation there may be some question as to whether or not it is regular in form.

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, you may rest assured that I will inform our whip of the statement you just made.

I must say I found the comments of the hon. member for Lapointe rather strange, because, after stating at the outset that our amendment was of no interest to him, he nevertheless succeeded in dealing with it for at least 30 minutes. I take this opportunity to congratulate him.

Mr. Speaker, as far as the amendment now before us is concerned, I intend to deal with three subjects:

First, I shall refer briefly to the record of the Conservative party in the field of national resources.

Second, I wish to take the opportunity afforded me by this debate to criticize the initiative of the present government in that field during the past several months.

Third, I intend very seriously to make a few definite and constructive suggestions.

[*Text*]

Before I proceed this evening, Mr. Speaker, and since I anticipate the possibility of points of order, I should like to inform hon. members exactly the basis on which I intend to proceed. I believe the only possible way in which to better the problem we have before us is by improved co-operation between the federal government and the provinces. If there has been success in the field of resource planning, be it in the field of water or other resource planning, if there have been successes or failures, those successes or failures have depended, in my view, primarily on the state of federal-provincial co-operation.

I know many of my hon. friends opposite have often lamented the lack of polarization of debate in this house. I should like to underline the clear difference of approach toward the subject under discussion as between the two major parties in this house. I am not saying that the government I supported in this house was perfect in the field of federal-provincial co-operation. However, if we did have successes in planning in the resource field, if we did have success in our experience with ARDA, it was because the Conservative administration which I supported knew the true and basic meaning of co-operative federalism. We did not just talk about it. This is the reason I want to doubly underline the successes mentioned by the hon. member who led off in this debate this afternoon.

The government I supported understood the real meaning of co-operative federalism and the facts of life of confederation in 1964 as well as in 1957 or 1958 at the time this party came into power. It is no accident of history that a Conservative government understood the true meaning of co-operative federalism because we were the party of confederation. The longer the present administration remains in power the more the people of Canada will realize that, although we may have made mistakes and I am the first to admit that we made mistakes—we did not make the colossal mistakes the present government has made since it took office. During the years we were in power the ARDA program was the result of a dynamic, new and constructive approach to the field of federal-provincial relations. It was not just a pragmatic sort of ad hoc shooting from the hip; it was based on our party's principles.

I know hon. members opposite smile. They have adopted pragmatically the notion of co-operative federalism in the year 1964. It is an adoption of convenience because a party which has for years supported a doctrine of centralism cannot turn a somersault in five minutes and support the idea of co-operative federalism.

If the present government has failed to initiate and carry out new ideas in the field

of resources, water, and ARDA, it is because it does not understand, or care to understand, the true and basic meaning and the principles of co-operative federalism. It has only adopted the slogan because it thinks it is a good slogan to adopt in the year 1964. Our party, between 1957 and 1962, with its ARDA approach and the establishment of the resource ministers conference, established the real and basic idea of co-operative federalism, based on the principles of our party.

[*Translation*]

When the former minister of finance (Mr. Fleming) succeeded, in agreement with the premier of Quebec at that time, Mr. Sauvé, in settling the problem of university grants, the news was not published in the papers the next morning as an extraordinary *fait accompli*. Indeed, it was only natural that a Conservative government had entered into a discussion and reached such an agreement with the provinces.

[*Text*]

I would like to say, sir, when the right hon. prime minister of the day, with Mr. Fleming, the then minister of finance, reached the accord he did with the province of Quebec and its premier of that time, the late Paul Sauvé, relating to university grants, it was not spoken of in headlines across the nation, for the very simple reason it was only natural that a Conservative government, realizing what it was to co-operate with the provinces, naturally did this sort of thing.

As I say, our treatment of the provinces and our co-operation with them between 1957 and 1962 was not matter of convenience. It was no accident of history because the party of confederation, under the direction of the right hon. prime minister of that time, deeply felt and knew the necessity for maintaining national unity and confederation by thus co-operating. So, we saw at that time real and dynamic leadership in the field of resources, in ARDA and in relation to many problems such as the development of our water resources that we are discussing this afternoon.

What are these principles of our party? We recognize that while we must have a strong central government, there is also the need to decentralize in a country like Canada. We also believe that the father of many of our party's principles, Burke, knew what he was talking about when he elaborated the principle of local self-agency, which simply means that very often people on the local level know what is best for them and how best to govern their local affairs.

I agree with the present right hon. Prime Minister when he says—and it is obvious—that each government, be it provincial or federal, must remain strong and able to carry out its responsibilities as given to it by the constitution.

[*Translation*]

Mr. Speaker, I want to say briefly to the house that if the Conservative party had such a success with regard to national resources, just after it came to power, it is mainly because of its co-operation with every province of the country.

[*Text*]

Sir, now I come to the second general theme which I want to treat this afternoon. I would like to ask myself and all hon. members the question: Why has there been a slowing down of the momentum, as the hon. member for Brandon-Souris (Mr. Dinsdale) so ably described it a while ago, in relation to any dynamic program for the development of our resources? Many people in all corners of the country are wondering why there has been a slowing down, not only in this program but in all major economic programs that were meant to be undertaken by the government.

I find it amazing that people should be surprised that there has been a slowing down, because in this day and age, on May 4, 1964—

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I should like to inform the hon. member—

[*Text*]

Mr. Grafftey: The hon. member makes remarks from his seat. I understand he is one of those bright, new sophisticates in the Liberal party who speak from their seats. He is intellectually emancipated.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I rise on a point of order.

[*Text*]

Mr. Deputy Speaker: Order please. Is the hon. member rising on a question of order?

[*Translation*]

Mr. Prud'homme: Yes, Mr. Speaker.

I wish to tell the hon. member for Brome-Missisquoi that whenever I will have something to say in this house, I shall rise and say it, for I will really have something to say then.

Mr. Grafftey: Mr. Speaker, I am sure of one thing, there was no point of order there. Perhaps the hon. member will be able to understand the rules better after a few years spent in this house.

I should now like to go on with my observations.

[*Text*]

It should not be surprising that such a state of affairs exists on May 4, 1964, not a slow down but a complete cessation of activities not only in the field of resources but in the field of all economic activities that the government meant to undertake. The hon. member continues to babble from his seat. I would like to ask him to extend to me, while I am speaking, the courtesy that I intend to extend to him when he makes his maiden speech in this house, if he has not already made it.

Mr. Turner: He has made it.

Mr. Grafftey: Mr. Speaker, there should be no surprise on the part of the Canadian people that such a state of affairs exists. While hon. members opposite have, as I said in my initial remarks, called for a polarization of debate I would simply like to say—I have said it many times and I say it this afternoon with a stronger voice than I have ever used before—that the party of centralization bases its activities on the doctrines so often expounded by the Secretary of State, bases its activities on the Pearson plan, and on the book called "Troubled Canada". I ask all hon. members if they will not admit that the Pearson plan, the book by the Secretary of State, and the book by the Minister of Finance are all exposés, if you will, of the doctrine of centralization. Let us stop trying to bring red herrings into this debate; let us put our cards on the table.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: Before calling it six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock are as follows: the hon. member for Queens (Mr. Macquarrie) on negotiations with the United States in respect to the Passamaquoddy project; the hon. member for Dorchester (Mr. Boutin)—

[*Translation*]

—as concerns unemployment insurance in the case of Canadian lumbermen who travel to the state of Maine in order to work;

[*Text*]

third, the hon. member for Skeena (Mr. Howard), the closing of Miller Bay hospital in British Columbia.

It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

The house resumed consideration of the motion of Mr. McIlraith (for the Minister of Finance) for committee of supply, and the amendment thereto of Mr. Dinsdale, and the amendment to the amendment of Mr. Grégoire.

Mr. Deputy Speaker: Order. As I indicated prior to six o'clock, the Chair had some difficulty in relating the context of the subamendment presented in the French language with the context of the amendment presented in the English language. I indicated that through the dinner hour I would have the opportunity to look at the two texts and try to relate them to one another. Having done so, the Chair is of the opinion that to give effect to the subamendment as proposed by the hon. member for Lapointe (Mr. Grégoire) and as set forth in the last paragraph of his motion, certain alterations should be effected as follows, so that the French text would read:

[*Translation*]

That the amendment be amended as follows:

In paragraph 1, delete every word after the words "this house".

In paragraph 2, delete the words "and it" in the first line, delete every word after "immediate action" and replace them with the following words: "in the best interests of national development, to take concrete steps immediately to accelerate the application of ARDA".

I might mention that the hon. member for Lapointe (Mr. Grégoire) and the hon. member who seconded the motion have accepted that this change in form be made. If the house will give its unanimous consent, the change will be made.

[*Text*]

Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, at the outset of my remarks before six o'clock, I stated that if our Conservative government, under the leadership of the then prime minister (Mr. Diefenbaker), was really successful in the field of resources, it was because our Conservative government had readily realized the necessity of cooperating with the provinces. That is why we were successful in our ARDA policies, as well as in the setting up of a council of resources ministers.

[*Text*]

Mr. Speaker, I repeat, as I did at the outset of my remarks before six o'clock, that if the

government I supported had success in the resources field, in the field of ARDA, it was because our government, supported by a party and directed by a prime minister who knew the true meaning and spirit of co-operation with the provinces, brought these things into being. I would like to state again that I believe there has been a slowing down of the momentum in these programs. Why? Again I say, because the party of centralization has been basing its activities on the doctrines so often expounded by the Secretary of State (Mr. Lamontagne) and on the Pearson plan. Far too many people blame the ministers, but it is the Pearson plan that is underlined by a high notion of centralization which cannot be applied to the facts of federal life in 1964. This government has been basing its activities on the book called "Troubled Canada", and all these ideas expound the glories of centralization and leave no room for any idea of co-operative federalism; there is no room for any idea of co-operation with the provinces.

Why then, we should ask ourselves, has there been failure in planning for resources by the government that sits opposite? It is just not an accident; it is because they have based their governmental activities on the doctrines of centralization, which they are doing their best to disown but which they cannot disown.

I say the Liberal government's failure under the Pearson plan, its failure in policy in the field of resources, is based on the same reason for their having failed in all their economic activities as a government. It is because they have failed to consult with the provinces; they have failed to consult with local authorities; they have failed, as ministers, even to consult among themselves. One minister makes one sort of speech on economic planning, another minister makes another sort of speech. I often wonder whether Mr. Kent vets these speeches out, or whether he should not start doing so pretty soon. At any rate, Mr. Speaker, this government might mouth the glories of co-operative federalism, but they do not believe in co-operative federalism.

The next remark I want to make is this, Mr. Speaker. I have made it very often before inside and outside this House of Commons. The right hon. Prime Minister (Mr. Pearson) is surrounded on the treasury benches by some very senior and very able ex-senior bureaucrats. I happen to be one of those—and I am not just saying this to flatter—who think that we Canadians are blessed with one of the finest of civil services in the world. But the right hon. Prime Minister, an ex-senior bureaucrat himself is surrounded by whom, and from whom does he take his advice? He takes it from the Minister of Finance (Mr. Gordon) and his book "Troubled Canada". Does this not underline the glories of centralization? The Prime Minister takes his advice from the Secretary of State, (Mr. Lamontagne) who wrote one of the great exposés on the glories of centralization and who just the other day, because he thought it was convenient, did a somersault and said, "You know, ladies and gentlemen, that was in the province of Quebec. I think, after all, that decentralization is really a very good thing for federalism".

There is a senator in the other place who said just a few years ago that his party, the Liberal party, was wallowing in the quagmires of pragmatism. Well, Mr. Speaker, they cannot turn somersaults and get away with it that easy while we are in the opposition. Our successes in these fields were based, again I say, on the principles of our party. Those who surround the Prime Minister today have shown time and time again that this notion of centralization cannot be applied to the facts of federal life in 1964. From whom does the Prime Minister take his counsel in regard to economic matters? We have seen that the Pearson plan and the right hon. Prime Minister himself are dominated by the centralizers. This leaves no room for the party that forms this government to advance sincerely any notion on co-operative federalism with the provinces.

With many other Canadians I rejoiced the other day when it seemed that the Prime Minister (Mr. Pearson) attained a certain amount of agreement with the province of Quebec with relation to the pension plan. I rejoiced, as I think did every other hon. member, thinking of the old people of our country and putting country before party. But what about all this nonsense that the premier of Quebec and the Prime Minister of Canada have saved confederation? I ask you, Mr. Speaker, if a friend and I were to set fire to a house and we watched it burn, and then just before the house was almost destroyed we called in the fire brigade and with the fire brigade we saved that house, could we honestly be credited with saving the house? The Prime Minister with his centralist activities nearly sabotaged national unity and the spirit of co-operative federalism, which is so necessary to put programs like this into operation. The Minister of Finance (Mr. Gordon) added a little gas to the fire and the Minister of National Health and Welfare (Miss LaMarsh) added a little more gas to the fire. Then they called in the fire brigade, and all the Liberals in Canada stood up and said they had saved confederation. This is just so much palpable nonsense.

The facts of life, Mr. Speaker, are that Mr. René Lévesque, realizing that Liberalism in the province of Quebec does not say the same thing as Liberalism here in Ottawa, which is based on the centralist approach, is demanding the separation of the Liberal party in Quebec from the federal wing. There is no other reason—

Mr. Deputy Speaker: Order. I am wondering if the hon. member does not feel as the Chair is inclined to feel, that he is digressing to some extent from the motion before the house.

Mr. Grafftey: Well, Mr. Speaker, I am trying to develop the theme that most Canadians are beginning to realize, that it is not just an accident that the Liberals are not having success with getting action on economic programs, such as the ARDA program and resource programs, because their whole system of activity is based on the idea of centralization, which cannot be put into effect today. While it might seem that I am getting out of order, I am relating my remarks to the subject before the house today in an attempt to show why the government are experiencing such failures.

I think that spokesmen for the government in Ottawa as well as spokesmen—I hope I am not out of order in saying this—for the government of Quebec are doing national unity and the future of our country great disservice when they confuse—I will not say intentionally, but if it happens too often in the future I shall have to say intentionally—ordinary, every day problems concerning provincial rights with the problems of bilingualism and biculturalism. I submit that in many ways they are two distinct things. I think the present government of Quebec and the government at Ottawa are doing a great disservice to this country if and when they intentionally confuse these two matters.

In relation to federal-provincial relations, Mr. Speaker, we are told by many people that all of a sudden the present government have a new plan. They are going to come to the House of Commons and put forward legislation, and then after consulting with the provinces, etc., they are going to be willing to amend this clause, that clause, and so on. I am not going to argue that a certain amount of this under present day conditions is not necessary, but I am going to say that this is no excuse for the past performance of this government in regard to federal-provincial relations. This government has put legislation time and time again before this House of Commons without any consultation with the provinces, and subsequently they have wondered why their whole economic program, including resource planning which we are discussing today, has floundered on the rocks. It has floundered on the rocks because they do not believe deeply in co-operative federalism; they only talk about it. I ask the Secretary of State how he, having written an exposé on federalism a few years ago, can suddenly adopt overnight the Conservative principle of decentralization and at the same time keep a straight face?

Mr. Lamontagne: Have you read the book?

Mr. Grafftey: Yes, I have, and in many instances I congratulate the minister for writing a very interesting and good book. But if the minister's mind really turned a somersault overnight I cannot congratulate him either for his sincerity or his pragmatism. This new idea of introducing legislation in this House of Commons without consultation with the provinces and then saying that the government are willing to amend it in the spirit of co-operative federalism is just a pure lack of preparation.

In closing my remarks, Mr. Speaker, I should like to stress something that I have often stressed in this house before with regard to the problem we have at hand. I do not believe that this government are going to make any advances in the field of resource or water planning, in the field of ARDA, or in the field of any economic activity, unless they improve relationships with the provinces immediately. Without improved relationships with the provinces there will be no improvement in the situation mentioned by the hon. member for Brandon-Souris (Mr. Dinsdale) this afternoon. It must be realized that the Canadian constitution is the first constitution in the world which combines a federal system of government with a parliamentary system. A federal system of government seeks to combine a measure of unity with a measure of diversity. I should like to quote a remark made by the late Right Hon. Mackenzie King after the publication of the Rowell-Sirois report. He remarked:

> This arrangement of continuity and permanence is necessary, because co-operation between the dominion and other provinces is too vital a matter to be left entirely for intermittent conferences and to correspondence between governments.

Mr. King made this remark after the government of Nova Scotia at a prior federal-provincial conference had spoken out regarding the necessity for the establishment of more sophisticated approaches to federal-provincial affairs; after the province of Nova Scotia had spoken out for the necessity of creating a permanent secretariat for federal-provincial affairs. What did the Rowell-Sirois

report have to say on this subject, Mr. Speaker? It said:

> But co-operation between autonomous governments is difficult to achieve. Administrative authorities responsible to different legislatures are not always interested in co-operation; indeed, non-co-operation may on occasion serve their immediate interests.
>
> Autonomous governments may thus tend to become rival centres of power rather than agencies for co-operative pursuit of the public weal.

I do not pretend that the problem facing the present government is an easy one to solve. But I am saying this: It will have to initiate and adopt more sophisticated measures than have been used up till now; it will have to create, or help to create, more sophisticated bodies for the guidance of federal-provincial relations than any which exist at present if any headway is to be made in economic planning or the planning of resources, such as we are discussing this evening.

The Rowell-Sirois report, in dealing with this aspect of the subject, states:

> There may be certain disadvantages in not having a single department in each government charged with the responsibility for inter-governmental communications. Each province must, of course, decide for itself the expediency of establishing such a department, but the commission is inclined to think that the delay and inconvenience of having the voluminous correspondence, which is today necessary between governments, conducted by one department would make the suggested innovation undesirable.

The commission goes on to recommend the establishment of a permanent secretariat, and I believe that although the Prime Minister has taken upon himself responsibility for federal-provincial relations, the initiative shown up to this point has not been sufficient. I understand initiative has been shown by certain departments of government, among them the Department of Labour. I understand that certain officials in various departments have been in contact with their counterparts in the provincial governments. This is commendable, but it is not good enough. I repeat: A permanent secretariat for federal-provincial relations must be set up on the premiers and Prime Minister level; otherwise the federal government in its dealings with the provinces will go from one crisis to another, and they might as well forget about planning in the field of resources, the field of ARDA, or any other economic venture.

Hon. gentlemen opposite should put first things first and get on with this job. It is all very well to have reached an agreement a few days ago regarding pensions with the province of Quebec. But at what price? The minister laughs; but I happen to live in the province of Quebec and I know what takes place when we have Liberal governments in Quebec and in Ottawa saying one thing inside the province and another thing outside it. Yes, "conscription if necessary, but not necessarily conscription"—I am not too young to remember that; and hon. members opposite are doing the same things today. Before an agreement was reached on pensions, this country was divided as it never was before. Mr. Lévesque knows that; he realizes Liberalism means one thing in Ottawa and another in the province of Quebec.

Mr. Pigeon: Same old bunch.

Mr. Grafftey: I know some hon. members thought I was getting off the subject, but I am dealing now with one of the reasons for the failure of the government in the fields of economic and resource planning. They think all the wisdom resides here in Ottawa and that the centralizers and the ex-bureaucrats have all the answers. But that is not true. While we rejoice in the arrangement made in the pension field, unless such a secretariat as I have mentioned is established, and established soon, the Prime Minister has simply stuck a little band aid over a major wound. Unless co-operative federalism is not merely preached but sincerely put into operation, confederation will suffer again as soon as we are confronted with further provincial problems. I think most Canadians realize this.

I know that in debating this subject this evening I have gone far afield. I believe the observations I have made in entering into this debate could be repeated from time to time with a direct bearing on most of the activities of the present government. The government has already failed dismally to show any initiative toward improving the economy of this nation, and if hon. members opposite are sincere in their protestations about co-operative federalism they will soon make sure that the former senior bureaucrats, and those others who have the Prime Minister's ear, change their notions about relations with the provinces. I say this not only in a partisan sense but as a young Canadian who is interested in the unity of this country in the future. Rather than stumble from crisis to crisis with the provinces it is time the government did some long range thinking and began at least to initiate the establishment of a secretariat along the lines I have advocated.

Mr. T. C. Douglas (Burnaby-Coquitlam): The hon. member for Brandon-Souris (Mr. Dinsdale) has rendered the house a service by directing the attention of the chamber to this very important question of the need for a water conservation policy in Canada.

We have been very slow in Canada in recognizing that water is a commodity of basic importance to our economy. It is essential,

as hon. members know, for the generation of hydroelectric power, for industrial development, for domestic use and for recreational purposes. On occasions, it has even been used for drinking purposes as a last resort. Our friends to the south, in the United States, were much quicker to recognize how important water is. In this northern half of the continent we pride ourselves on having almost limitless supplies of water and we have done very little to conserve our water resources. But during the same period the Americans, who had gone through the industrial revolution much earlier than we, became aware of the fact that the growth of their economy was largely dependant on the supply of water which could be made available to the great urban and industrial centres. This is why during the 'thirties, while we were keeping roughly a million people on relief in Canada, the Americans spent hundreds of millions of dollars building some of the largest dams in the world both for the purpose of water conservation and for the generation of hydroelectric power.

Since the war, the Americans have used their army engineers to work with the state governments to launch tremendous water conservation projects in almost every part of the country. They have piped water hundreds of miles in order to turn their deserts into gardens and make possible the extension of their urban communities and the establishment of new industries in places where it would not be possible without adequate supplies of water. But we in this country are only beginning to appreciate the problem. If anyone had told us 20 years ago that in the southern part of Ontario, surrounded by the great lakes and close to Niagara Falls, the day would come when we would be threatened with a water shortage, such a person would have been laughed to scorn. The fact is that the problem is already upon us and it will increase with the passing of the years. There is a drastic need for the government of Canada in conjunction with the provinces of Canada to work out water conservation and water usage programs.

The amendment which the hon. member for Brandon-Souris (Mr. Dinsdale) has moved draws our attention to the fact that there is an imminent national crisis in water resource management and it makes reference to three things: First, the low levels of the great lakes; second, the increasing pollution of national waters and, third, the need for a conservation of resources program. May I say a word about each of those very briefly.

The question of the critical low water levels of the great lakes is, of course, of tremendous importance to the provinces of Ontario and Quebec, not only because of the supplies of water for domestic purposes but because the great lakes have become the great inland transportation network of industrial Canada. The necessity of doing something about water levels on the great lakes is something which I am sure no one needs to stress in this house.

The matter of water pollution is a subject which has been long neglected. We are polluting most of the rivers in Canada and a number of lakes. It is hard to believe that in this age of sanitary engineering there are cities in Canada which are still discharging raw sewage into our rivers and lakes, polluting our water resources and killing fish. Industrial effluents are being poured into our national waters which are having a damaging effect on the use of the water for livestock and other purposes.

This amendment asks the house to condemn the neglect of the government in failing to establish a co-ordinated national water policy and for ignoring the national crisis in water resources management. I do not know, Mr. Speaker, how we can select this particular administration for condemnation. I think each successive government in Canada has been negligent in dealing with this matter. Both this administration and the previous one have been negligent.

The first move that was made to conserve water was taken back in the 1930's when Right Hon. J. G. Gardiner, minister of agriculture in the administration of Right Hon. W. L. Mackenzie King, introduced the Prairie Farm Rehabilitation Act. Under this legislation a very good staff was built up over the years. They did excellent work on the prairies by helping farmers to establish small dugouts for their livestock. They built a number of small dams which had very beneficial effects on the prairies. This organization could have done much better work had it been given more money, but I think credit must go to it and particularly to the former director, the late L. B. Thomson, for the work which was done and for the foundation that was laid for a much broader program which has not yet materialized.

P.F.R.A. and its staff laid the groundwork for considering the South Saskatchewan river development project. Here I think that credit has to go to the previous administration under the leadership of the present Leader of the Opposition (Mr. Diefenbaker). For 20 years the Liberal government had talked about the South Saskatchewan dam. In the 1945 election the Liberal party went so far as to say: We have the money, we have the men and as soon as the material is available we will begin to build the South Saskatchewan dam. But 10 years later, although the money and the

men and the material were all available, nothing had been done about building the dam.

I have some rather unhappy memories of those days when the federal government kept saying to the provincial government: If you will just offer to contribute a little more to this project we can go ahead. In spite of repeated offers an agreement was never signed. I give credit to the government of the present Leader of the Opposition in that when they came to office we were able to negotiate an agreement and work was started on the South Saskatchewan dam.

Lest members from other parts of Canada go away with the idea that the federal government is paying all the cost, I think I should point out that when that project is completed the people of the province of Saskatchewan will be paying a little better than 60 per cent of the total cost and the government of Canada will be paying about 40 per cent.

An hon. Member: Oh, come off it.

Mr. Douglas: Did somebody say "come off it"?

Mr. Cooper: Are you speaking of the building of the dam?

Mr. Douglas: My friend from Rosetown-Biggar knows the story very well and he can be sure I will give all the facts, if he will just sit still. On the building of the main reservoir the federal government is putting up 75 per cent of the cost and the provincial government 25 per cent. But this represents only in the neighbourhood of $100 million while the total cost of the project will run to well over $165 million. When the hydro installations are put in, when the ground is levelled, when the canals are built, when the lateral ditches are installed, when the land is prepared for irrigation and the ancillary works to take water into the Qu'Appelle valley are completed, the people of Saskatchewan will have put up better than 60 per cent of the total cost of the whole project.

I say that for the information of members from other parts of Canada. I do not say it to detract in any way from the generosity of the federal government in proceeding with the project. I am convinced that the construction of the dam will be a turning point in the economic life of the prairies and particularly western Saskatchewan because it will make possible not only irrigated land on which there can be diversification of crops, the growing of sugar beets, the building of sugar factories, market gardening, canneries, quick freezing units, but it will also mean backing water up into the hills so that in many areas livestock can be raised where they could not be raised before because of lack of water. It will make possible urban growth, recreational facilities and industrial development. In my opinion it will be a great forward step in western Saskatchewan and, indeed, in all of western Canada because the South Saskatchewan dam will back water up for 142 miles so that there will be a great lake 142 miles long and about five miles wide. The effect of that body of water cutting across the Palliser triangle will be tremendous so far as the climatic conditions in that semi-arid plain are concerned. I give full marks to the government of that time for proceeding with that project.

I give them credit also for the resources for tomorrow conference which was well organized and well conceived. It brought together a number of top flight people across Canada who were concerned about the problem of resource conservation. I think that out of the conference there came many good ideas and the foundation was laid for a real attack on this problem. Out of this conference came the idea of ARDA which also was a worth-while concept.

However, Mr. Speaker, when you have said that you have said it all. A conference, in itself, does not conserve resources. The ARDA program, although it contains the germ of a good idea, has not yet produced any great projects to deal with the problem that has been raised in this amendment. I therefore return to my thesis that none of the governments of Canada have really tackled this problem. To blame the present administration, which has been in office for about 12 months, it seems to me is something like the pot calling the kettle black.

I believe that instead of trying to apportion blame, and I am not trying to do that, we have to recognize that both the major parties have made some obeisances to the need for doing something about water conservation but we have never, in Canada, tackled this problem on anything like the scale on which it needs to be approached. We have not even closely approximated what our friends in the United States have done, even having due regard to the difference in population and financial resources of these two countries. Apart from the South Saskatchewan dam, we really have not done anything of major proportions about conserving some of the great water resources of this country.

We have done nothing at all about river pollution—neither this Liberal government nor the Liberal government that was in power for 22 years or the Conservative government that was in office for some six years. None of them did anything about this question of river pollution. I recognize the necessity for

the co-operation of the provinces and municipalities in connection with this problem. We cannot continue to pollute the national waters of this country without paying for it and our children and our children's children will pay for poisoning of our rivers and our lakes with industrial effluents and raw sewage. Unless we tackle this problem fairly soon, the bill will be delivered in the not too distant future.

When we speak of water conservation—and members on both sides of the house paid tribute to the value of conserving water—it seems to me somewhat ironical that the party that has moved this amendment and the party against whom it is directed have both entered into an agreement to turn over the entire flow of the Columbia river to the United States. This is the fourth largest river on the North American continent, and we have not only allowed the United States to determine the flow of that river, the extent to which water will be diverted from it, but we have actually limited ourselves for the life of the agreement in connection with our right to divert water.

This afternoon the hon. member for Coast-Capilano (Mr. Davis) talked about our right to the consumptive use of water from the Columbia. He said, we cannot take it exclusively for the generation of hydroelectric power. I asked him where he found the word "exclusively", and he said some lawyers told him it was there. He said he was not a lawyer, and neither am I, but I know that no lawyer, by even the most subtle interpretation, can put a word there that is not there. Article 1 of the treaty, clause (e) defines consumptive use. It says:

> (e) "Consumptive use" means use of water for domestic, municipal, stock-water, irrigation, mining or industrial purposes but does not include use for the generation of hydroelectric power;

The protocol which was supposed to rectify this situation contains nothing but mild generalities and says:

> Canada and the United States are in agreement that article XIII(1) of the treaty provides to each of them a right to divert water for a consumptive use.

In other words, water can be diverted but only for the purposes which I read a moment ago from clause (e). It can be diverted for irrigation or municipal purposes, but it cannot be diverted if the generation of hydroelectric power is involved. As every member knows, in this modern age it is uneconomical to divert water except for a multi-purpose project, and the only thing that makes possible a large scale diversion is the use of water for several purposes. You can use it to develop power, pass it through the turbines and use it for stock-watering, for irrigation, for domestic and industrial purposes. Unless it can be used for all of these purposes, then it becomes uneconomic to divert water. Here are two parties, one of whom drafted the agreement and the second is now in the process of putting it through the house, who pay lip service to water conservation, and in the same breath they give away one of the greatest assets in this country, the tremendous volume of water which we have at hand. Before long we shall be condemned for this failure to discharge properly our stewardship in looking after these resources, of which we are only the trustees.

Someone sent me a rather interesting clipping from the Phoenix *Gazette*, printed in Phoenix, Arizona under date of April 7, 1964, which tells of a meeting in Arizona in which the engineers and other experts were concerned about how they were going to get enough water in Arizona. I quote:

> It was agreed that the 1.2 million acre feet which could be provided by the central Arizona project from the Colorado river would still leave the state with a water deficit of almost two million acre feet a year. Better water conservation practices could wipe out some of the deficit, but long range planning indicates the need for a larger and more permanent source of water, it was noted.

Then the article goes on to outline how they hope to get enough water down in Arizona.

It says:

> So this leaves outside sources, and while officially no one would say just where these sources might be, privately some agreed that the huge Columbia river probably would hold best promise of a future supply. Water experts have said the state might possibly get up to 12 million acre feet annually from such a source.

Then it says:

> The Columbia river is in the Pacific northwest.

Well, I do not suppose the people in Arizona care whether it is in the Pacific northwest or not, or whether it is going to come from Canada. What they are concerned about is that they get 12 million acre feet of water a year sent across the line into the United States, with no controls whatever as to how it is used, how it is diverted and where it is diverted to; whereas on the Canadian side we are going to have our hands tied, and are going to wait for the next 60 years with this valuable resource pouring across the line, at 90 million cubic feet per second, into the United States.

This debate has been concerned with the matter of water resource management, and I had expected someone from the government side would tell us what the government's policy is going to be with respect to water. So far the only statement was that

by the hon. member for Coast-Capilano (Mr. Davis), who is the parliamentary secretary to the Prime Minister, and I hope to heaven he was not speaking for the government because he outlined a great program of diverting our rivers from northern B.C. and northern Ontario down south, for the purpose of exporting water and selling it to the United States.

They used to have a saying in the army, "If it moves, salute it, and if it does not move, paint it." The Liberals seem to have a slogan, "If it is profitable, export it." They seem to look upon Canada as a great source of raw material, from which we will export pulpwood, oil, minerals, aluminum, gas, electric power and water. Last year we exported nearly 40,000 people to the United States.

I would like to think of Canada, not as a country of only 20 million people, developing extraction industries to sell raw material to the United States where it can be made into manufactured products and shipped back to us, but of Canada some day being a nation of tens of millions of people, using its energy resources, its water resources and its natural resources to develop not only extraction industries but secondary and tertiary industries to retain employment opportunities in this country, and to develop a great nation. No country ever became a great nation by being merely a hewer of wood and a drawer of water.

I must confess that when I listened to the parliamentary secretary to the Prime Minister this afternoon I was absolutely frightened at the prospect that now, in addition to exporting power and raw materials, we are going to set about exporting the great water resources of our country. Surely we, as Canadians, have got more imagination and a greater sense of reality than to think that the only use that can be made of the resources of the country is to see how quickly we can get rid of them.

I had hoped that the government would give the house the benefit of its ideas with regard to what it was going to do about water conservation and utilization. Up to now we certainly have had no intimation as to what the government's policy is.

I do not join in condemning the government for the fact that it has failed to establish a co-ordinated national water policy and ignored the imminent crisis in water resource management. It has only been in office about a year. These are problems which have gone on for a long time, but I think the house is entitled to a statement from the responsible ministers as to what the government is going to do, in the course of the next few years, about our water resources. I hope they will tell us something better than the statement made this afternoon, that all we can think of doing about our water resources is export them to the United States. The only consoling thing about the statement of the hon. member for Coast-Capilano was what he said about it taking decades of time. The Liberal party always seems to think in geological terms of time, and I think that is why it is moving as slowly as the glaciers.

It probably will not happen quickly, but I seriously ask the government to formulate a policy, because time is important. Already in the great lakes area of southern Ontario water is a problem. On the prairies water is a problem. The prairies have now reached a maximum of agricultural production under dry farming methods. If there is to be increased agricultural production on the prairies more water is a necessity. The big crops of the past two or three years were due to the fact that rain came at the right time. If it were possible on the prairies to have, not irrigation, but a sprinkler system through plastic or aluminum pipes, so that a very small amount of water could be sprinkled on the fields at exactly the right time, production per acre could be increased by five or eight bushels.

Water is vital to the future development of the country. Fortunately we have great resources of water, more water than our friends to the south, and that is why our friends to the south would be very happy to spend a few billion dollars in Canada if they could get access to our water resources. But if we are going to build a country that will have a great future we must plan how to regulate our water resources, how to make water available to the areas that need it, and how to keep free from pollution the great national waters which constitute the life blood of our country and its economy.

I hope the government will not treat this question lightly. I do not offer words of condemnation but I make an urgent appeal to the government to take action very quickly in setting up the kind of machinery by which the provincial governments and the federal government can sit down and plan a water conservation policy, map out the necessary programs, and then find the required financial resources to put those programs into effect.

This country will grow only as fast as it is able to make water available to a growing and expanding economy. I hope the government will rise to the challenge and, if it does, it will have the gratitude of future generations. If it does nothing about it, and we continue to drift, with water levels dropping,

with large areas of Canada in a semi-arid condition, then those who come after us will feel we have been very poor trustees of the responsibilities given to us by our forefathers.

Mr. Marcoux: The hon. member has talked about a planned economy. I would like to ask him how socialist planning would prevent the exporting of our wheat and grain to communist China and Russia?

Mr. Douglas: I have never objected to exporting. Any country lives by exporting. There is a great deal of difference between exporting wheat or exporting shoes or lumber on the one hand, and exporting things we need in our own country, such as supplies of water, gas and electric power especially if those resources can be used in Canada to turn our raw materials into finished products. We can turn our raw materials into finished products and export them. I do not quarrel with exporting surplus goods to the United States or any other country; as a matter of fact, we must do that in order to live. But my contention is that for too long Canada has been content to develop extraction industries which give employment to relatively few people per million dollars of capital investment, to ship these raw materials to the United States, to ship to the United States the energy and electric power to turn those raw materials into finished products, and then to buy them back.

I think we could use those same resources in Canada, manufacture the finished product and then export it. What we have been doing, really, is exporting jobs. I think we ought to start exporting finished products or semi-processed products wherever that is possible.

Mr. Nielsen: Mr. Speaker, I wonder whether the hon. gentleman would permit one further question. I may be mistaken, but I thought I heard him say that P.F.R.A. was introduced under the government of the Right Hon. Mackenzie King. It is my impression, although perhaps I am mistaken, that P.F.R.A., although perhaps under another name, was introduced by the Bennett government.

Mr. Douglas: Mr. Speaker, perhaps I did not make myself clear. The legislation was introduced in the last year the Bennett government was in office, but the administration was set up mainly by the Right Hon. J. G. Gardiner.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, we welcome this opportunity on a supply motion to have the leader of the official opposition (Mr. Diefenbaker) select the subject matter for a two-day debate. I think this is one of six supply motions that must come before the house, and it is a very welcome opportunity for some of the members of the opposition, particularly the Leader of the Opposition, to determine what the subject matter for that two-day debate shall be. Having said that, it seems to me they have successfully moved an amendment pointing to a very serious problem in Canada and then the hon. member for Brandon-Souris (Mr. Dinsdale) and the hon. member for Parry Sound-Muskoka (Mr. Aiken) have proceeded to actually condemn the administration that was set up under their own government during the years in which they had the power to do something about the problem raised in the amendment.

I say that, Mr. Speaker, because the third point they raise in the amendment is this:

> —vigorously continuing and expanding the water and other resource development programs conceived and established by the previous Conservative government.

If there had been resource development programs actually established and under way to retain the water levels in the great lakes, I suggest that the first part of their amendment would not be valid. That is to say, they condemn the government of today for "ignoring the imminent national crisis in water resources management, which is evidenced by the critical low water levels of the great lakes"; and surely no reasonable member would suggest that the critical low levels of water in the great lakes today is something that has happened in the last few months. Surely if there had been satisfactory programs established such as the amendment says, this problem would not have been before us today. I join with the hon. member for Burnaby-Coquitlam (Mr. Douglas) in suggesting that these problems which are facing Canada today, and which are accurately described, I think, as amounting to an "imminent national crisis in water resources management", are something for which the immediately preceding government will have to shoulder the blame as well as the present government.

Getting back to the question of water, Mr. Speaker, and the preservation and conservation of our water resources, I think it is well for us to consider the position of Canada today in relation to the water resources that we have, and also to rely on some of the experiences other nations have had, so that we can in fact look into the future and develop programs that will help Canada to avoid these other problems. I think that one of the first requirements in developing a national water resources program is to accept the statement that was made by Kenneth Holum, assistant secretary of the interior for water and power in the United States. He says this:

Experts estimate that our needs for water will triple by the year 2000.

This is the United States. Then he goes on to say this:

One thing, however, that there would be no more of, is water. The aggregate amount of water in the rivers, streams and lakes, in the underground aquifers, in the clouds floating across the skies, and in the seas and oceans would be substantially the same as it is today.

That is in the year 2000. Then he says:

We can't produce more water. Our job is to use what we have. We have to learn to use the water we are wasting, and to use it over and over and over again. We must do a better job of maintaining quality, so that water can be reused, and improve the quality of poor water so that it is usable.

The United States have come to some pretty agonizing conclusions respecting this matter of using the water which they have, and it is interesting to note the price that they put on water today. For example, in the issue of the *Christian Science Monitor* of March 18, 1964, there is an article captioned "Water for everyone" which says this:

The problem is that nature's water system just doesn't coincide with human requirements, says a world famous geophysicist as he describes the research frontiers this presents in the last of ten articles on "on the water challenge passed by growing water needs of the United States.

In this article he quotes Nathaniel Wollman of the University of New Mexico and says:

Nathaniel Wollman...has concluded that the money worth of water in the United States adds up like this:

This is all over the United States:

Industry—$3,000 to $4,000 per acre-foot.
Recreation—$250 per acre-foot.
Agriculture—$51 per acre-foot.

If you compare that with some of the water resources that are available in Canada today, it certainly points up the fact that we had better look after these resources now.

During the course of the debate which took place in this house on March 5 mention was made of a report of a study made by the engineering firm of Crippen-Wright. I think this survey and report was paid for by the government of Saskatchewan and it dealt with the cost of diverting some of the water now running into the Arctic ocean and Hudson bay from the southern prairies. It was pointed out that to divert water from the North Saskatchewan river and the Clearwater river into the South Saskatchewan river through the Red Deer river would cost about 40 cents per acre foot. Compare that, Mr. Speaker, with the value which the United States puts on water of $51 per acre foot. In addition to that, there was a second possible diversion, which was to divert the Athabasca into the North Saskatchewan, and I think subsequently into the South Saskatchewan as well through the Red Deer river, at a cost of $1.60 per acre foot, making available 4,500,000 acre feet. A third possible diversion was from the Peace river into the North Saskatchewan which would allow 19 million acre feet to be developed at a cost of $2.70 per acre foot. Then there was a fourth possible diversion from the upper Fraser into the Athabasca at a cost of $3.10 per acre foot, making available for development 1,090,000 acre feet. The fifth in order of cost was the possibility of diverting 5,430,000 acre feet from the Columbia at a cost of $4.60 per acre foot.

Mr. Douglas: That is the gross cost?

Mr. Olson: Yes, gross cost, that is correct. One other very important program in Canada which could be undertaken and which has not yet been touched, and which I suggest is cheaper than any of the diversions referred to in the report I mentioned, is the building of upper level storage on the eastern slopes of the Rocky mountains. Outside of some very small reservoirs on the Bow river there are no dams and no storage facilities provided in the upper regions of any of our rivers coming through the eastern slopes of the Rocky mountains. I know that shortly there will be in the Peace river dam, but on the tributaries of the North Saskatchewan river and on the South Saskatchewan river there are, outside of the Bow river, absolutely no storage facilities or what is called upper storage. There are sites which I think are reasonably cheap in terms of cost and development, at which large storage facilities could be built at a cost of even less than 40 cents per acre foot, which is the cheapest of the diversions to which I referred.

We in southern Alberta have had quite a lot of experience with irrigation. I think that today most of the irrigation projects in western Canada which have been undertaken —that is, the major irrigation projects—are in fact located in southern Alberta. We know there are times, such as in May and June when there are large flows of water, when we simply have to let this water go by because we do not have any storage facilities to contain it. This water is water which flows naturally into river basins without diversion of any sort. We also know that it is impossible for us to divert into irrigation reservoirs even 10 per cent of this water when it goes by in the months of May and June during the high run-off period.

Therefore I want to put this very positive proposal to the government. I suggest that one of the first undertakings with regard to water conservation should be the large scale development of upper storage on the eastern slopes of the Rocky mountains. I say that because whenever water is stored at its

highest position it is obvious that everyone downstream can make optimum use of that water for all purposes. It can be used for irrigation; by municipalities which rely on these rivers for water, as well as providing a uniform flow of water for hydroelectric generation. In my opinion that is the most important project which should be the first to be undertaken.

Following that consideration should be given to some of these diversions of water into areas which require it. However, it appears to me that it will be 40, 50 or perhaps 60 years before we will be able to utilize all of the natural flow which runs down the South Saskatchewan river even now. This water will have to be conserved on a 12-month basis, because something like seven million acre feet of water flows annually down that river at the present time. I am not quite sure of those figures but I think that more than four fifths of that water escapes us during the high flow season when we simply do not have the storage to make use of it.

If I may turn for a moment to the question of the utilization of this water, I want to say to the hon. member for Burnaby-Coquitlam (Mr. Douglas), and to other hon. members who may think that building a large irrigation system and building large structures necessary to deliver the water to the land means that you have reached the point where you are going to have a lot of prosperous farmers, that we have found over the years that we run into very serious difficulties, particularly during the first 20 or 25 years, in getting farmers to make proper use of this water. As far as their growing grain, cereals and other crops is concerned, compared with the lower cost of operation of dry land farming they have felt that these units are economic failures. The day may come 50 or 60 years from now when the value of cereal grains and the market for cereal grains will be such that they can be successfully and profitably grown on acres which are under the ditch. But that is not true today. We know there are crops which can be grown successfully and profitably, such as sugar beets, vegetable crops and a certain amount of beef and dairy production, in irrigated areas of southern Alberta. There are some very serious problems, however, in the marketing of these crops which have not as yet been fully resolved. I think there is a very real case for both the federal government and the provincial governments to set up some kind of processing and marketing facilities for these crops in the initial stages. We know, for example, that into Alberta today thousands of carloads of fresh vegetables are imported, mostly from the United States, which could be grown right in southern Alberta. We know there is more than one reason why this would be beneficial. For example, there is our international balance of payments which keeps cropping up as a problem. I suggest there are millions of dollars worth of these crops we could grow right at home if we only had the processing and distributing facilities available to us.

This is not an easy matter. It is difficult to get anyone to invest money in processing plants and distribution channels until there are a relatively large number of farmers in the area successfully growing the crops which it is intended should be produced on a larger scale. On the other hand, it is difficult to get farmers to begin to grow some of these crops and to gain experience unless there is a processing plant and a market available so that the work is profitable. I think the solution is to have producers co-operative enterprises underwritten by financing from both levels of government.

In addition, there is a very real need for a national sugar policy which would put some kind of stability into sugar prices both for the benefit of the consumer and the producer. We know that during the last two years or so sugar prices have been very high. In my opinion they have been too high. The sugar beet producers in my constituency agree that the price does not need to be as high as it is today. If they could be given some assurance that there would be a long term price guarantee in exchange for lowering the price a little now, they would be very happy to accept this.

I believe the government has been offered sugar on a long term basis at a price substantially less than Canada is paying today. All the government needs to do to take advantage of this is to commit Canada to buying the sugar over a period of seven or eight years into the future. This, in my view, would have a doubly beneficial effect. It would lead to an immediate reduction in the price of sugar to Canadian consumers and, second, it would provide that long term stability for which the beet producers have been asking for years. I hope that when we consider the better utilization and conservation of water we will also remember that these other problems of marketing and processing exist, and that it is the business of government not only to set up the capital works in the first instance but to follow through with some kind of assistance; and I suggest some kind of financial underwriting of these establishments would be the most useful, so as to see we make the optimum use of this water when it comes.

There is one other matter I wish to deal with and it relates to the subject of ARDA, which is dealt with both in the amendment

and in the subamendment. There is another vitally important water resource which has been barely touched in Canada, namely groundwater reserves. As hon. members who are interested in this subject know, the Alberta research council has been doing a great deal of work to find the extent of our groundwater reserves and has been successful in finding some aquifers. There is an important one running right into Medicine Hat and I am told there is an enormous one going across Montana into Saskatchewan—it is probably the old river bed of the Missouri river. I do not know that this ground water reserve has been completely delineated and I suggest there is some important work which could be done in drilling of the area to find out where this reserve runs, to mark its edges and to determine its capacity. It is of particular importance this summer because in southern Alberta and southwestern Saskatchewan the traditional source of water from the spring run-off has been almost non-existent as far as surface water for stock watering is concerned. I think that under P.F.R.A., or under the auspices of any other government agency, such as ARDA, there is a very real need to do further work to locate the groundwater resources we have. It would make it much easier for farmers to drill wells if they had a reasonable assurance that they were likely to find water at certain levels.

I think it is a good idea for us to have taken part in such a debate as this. It seems to me there is general agreement in all political parties that some discussion on water resource management is needed. But I do not believe we can lay all the blame on the present government for the particular difficulties we are experiencing at the moment.

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): I listened with interest this evening to the observations of the hon. member who has just resumed his seat, the hon. member for Medicine Hat (Mr. Olson) and also to the hon. member for Burnaby-Coquitlam (Mr. Douglas) who, in analysing the water resource policy of this country, thought it well to say that the erosion of generations could not be laid at the door of a government which has been in office for just over 12 months, and that the responsibility for water management in Canada, although subject, quite properly, to review in this house from time to time, is not a matter upon which condemnation ought to be levelled against the present government.

I say to you, Mr. Speaker, that this amendment is phrased as an attempt to hold the present administration responsible for the work of generations. When one reads it, it becomes evident that it attempts to hold a government which has been in office for 12 months responsible for low water levels on the great lakes, although any student of the situation or any reasonable citizen of Canada will realize readily that this is a cyclical process dependant on factors altogether outside the scope of any particular administration in the short term.

Mr. Smith: What about dredging?

Mr. Turner: I would say that this afternoon the official opposition certainly had to dredge up a pretty weak argument—

Mr. Smith: Just dredge our harbours.

Mr. Turner: —and muddy the waters, if I may say so, in an attempt to find some subject on which to criticize this administration. So far as water levels are concerned, and the cyclical trend, I will cite figures later to show that this has been a gradual process.

Let us look at the second subject, pollution. I might say that no steps of any consequence were taken by the previous administration with regard to pollution.

Some hon. Members: Oh, oh.

Mr. Turner: I see there is a lively reaction on the other side. The first concrete step that was taken was the reference earlier this spring, as the result of a debate held in this chamber on March 9, of the matter of pollution to the 10 provincial ministers of natural resources by the Minister of Northern Affairs and National Resources (Mr. Laing), so that the Canadian council of resource ministers could make a study of this problem.

I have mentioned the first two headings under which the government is being criticized, low water levels and increasing pollution, and the third heading is the conservation of water. At the outset I should like to draw to the attention of the house that the first legislation enacted in this country, involving the various provincial, municipal, regional and federal bodies having jurisdiction over the water resources of the country, was the Canada Water Conservation Act which was enacted on the 14th of May, 1953 under the former Liberal administration.

I cite this history, Mr. Speaker, because in listening to the amendment proposed by the hon. member for Brandon-Souris (Mr. Dinsdale) it was hard to divine just what he was criticizing the government for. He began by talking about what he called the long years of neglect, and we wondered for a moment whether we were being criticized in this amendment to a supply motion in May, 1964, for what had happened prior to 1957. It was quite coincidental, I am sure, that the

hon. member for Brandon-Souris, who after all should know the facts and should know better since he once held the national resources portfolio, did not cite any facts with which to back up his argument. Indeed, Mr. Speaker, the facts prior to 1957 do not bear the type of scrutiny that he avoided.

What were the facts? I have cited the Canada Water Conservation Act of 1953, the first conservation act passed by a federal parliament. Prior to 1957 there were agreements made with Ontario concerning the Shand dam, the Fanshaw dam and the Luther marsh dam.

Mr. Nielsen: For the Saskatchewan dam?

Mr. Turner: My friend knows his geography better than that. One of my confreres suggests to me that in the circumstances perhaps I am being a little generous in making that remark. In any event, the policy initiated by the government prior to 1957 was continued by the previous Conservative administration, but only in 1961. It was four years before another agreement was signed. The upper Thames conservation authority agreement was signed in 1961 and the same year the metro Toronto and region conservation authority and the Parkhill dam project were initiated.

Mr. Alkenbrack: On a point of order, Mr. Speaker, the parliamentary secretary has either inadvertently or purposely left out the agreement in 1957 concerning the Napanee river conservation authority.

The Acting Speaker (Mr. Batten): I have to advise the hon. member for Prince Edward-Lennox that there is no point of order.

Mr. Turner: I was citing a particular piece of legislation, Mr. Speaker, and I doubt whether the learned member opposite could fit the particular project he has in mind into the particular piece of legislation I was citing.

Mr. Alkenbrack: On a point of order, the conservation authority signed an agreement with the Ontario department of development.

The Acting Speaker (Mr. Batten): Order.

Mr. Alkenbrack: It is the same category.

The Acting Speaker (Mr. Batten): I should point out to the hon. member and to the house that if the hon. member disagrees with anything the hon. member for St. Lawrence-St. George is now saying, he has the opportunity of refuting it when he rises to speak but his objection to anything the hon. member is saying now constitutes neither a point of privilege nor a point of order. The hon. member for St. Lawrence-St. George.

[Mr. Turner.]

Mr. Turner: Thank you, Mr. Speaker. Subsequent to April 8, 1963, under legislation to which I have been referring we have under negotiation Fraser river diking at an estimated cost of close to $5 million. If I may turn to other legislation prior to 1957, the Red river basin investigation was started in 1950 and completed in 1953 at which time the federal government prepared, as the house well knows, comprehensive plans for flood control. I would also recall to the house the lakes Winnipeg and Manitoba board, the purpose of which was to study the resources of water flowing into and out of lakes Winnipeg and Manitoba. This study was initiated in 1956 and the reports were submitted in 1958.

Then there is the Fraser river board which was established in 1949, reconstituted in 1955 and directed to report its findings with respect to the effective regulation of that great river for flood control and power generation, and the resultant effects on fisheries, navigation, silting, erosion and irrigation. This is my answer to the hon. member for Brandon-Souris who said that in the matter of the control, management and conservation of water resources there had been long years of neglect.

Then he went on to say that he wished to criticize the present government for the slowing down of momentum. He referred to it as a tragic loss of momentum and said that there had been no new initiative in the area of renewable resources. Let us look for a moment at the momentum which existed, if it did, in the years 1957 to 1963.

Mr. Nielsen: Did it ever.

Mr. Turner: Mr. Speaker, I hear the voice of that speedy Gonzales from the north. When he is not flying home he is flying by the seat of the pants in the house.

Mr. Nielsen: It is better than flying blind.

Mr. Turner: What were the facts between 1957 and 1963? The hon. member for Brandon-Souris said he did not want to go into details, and I do not blame him at all. He mentioned the speech made by the Leader of the Opposition (Mr. Diefenbaker) in Winnipeg in 1958. What happened after that speech? There were three silent years. Finally, in October, 1961 there was the resources for tomorrow conference, which was a considerable achievement. But where was that momentum?

What explains that three year vacuum between that great speech at Winnipeg and the conference that was finally held in 1961? If that is the record we are supposed to emulate I can say with some confidence now that we have no fear that record will be surpassed

under this administration. The previous administration, if this is moving with deliberate speed, waited until October 1961 before it finally established the Canadian council of resource ministers, and a plenary meeting was held in September of the next year. There was a four and a half year period that elapsed before the first plenary meeting of the resource ministers council which was forecast in Winnipeg, that central point in our confederation. If that is the type of speed we are being asked to emulate, again I think I can say on behalf of those on this side that we have no fear of being able to equal or surpass that type of record.

When this administration took over, there was just the shell of a program. The first meeting of any consequence was held last fall, on November 20 and 21. For the first time the ten provincial ministers of natural resources and the federal minister of resources met under the chairmanship of the minister from Quebec, the Hon. René Lévesque—

Some hon. Members: Oh, oh.

Mr. Turner: —who, I might say, was a very able chairman indeed. For the first time some substance was given to this organization. As a result of these meetings all the present resource agreements between the provinces, and between the provinces and the federal government are being looked into by a permanent secretariat. The secretariat was set up by this administration, after four long years of waiting, following that great speech in Winnipeg. There was nothing but an idea, virtually nothing but a vision for four and a half years under the previous administration, and this project was finally put into action by this administration.

As I say, currently the renewable resource agreements between the provinces themselves, and the provinces and the federal government are being reviewed by this permanent secretariat which was set up by this government. There is being undertaken, under the jurisdiction of this national council of Canadian resource ministers, a review of the existing wildlife and fisheries agreements of this country. There is being undertaken an assessment of the ARDA program so that there can be a full discussion of the adequacy or otherwise of the ARDA projects at the next plenary meeting of the council this June in Prince Edward Island. Participation and planning of Canada's part in the international hydrologic decade was approved by this council last November. Preliminary work is now under way in connection with further important aspects of water conservation and water resources, among which I have already mentioned pollution. Now, this being so in so far as federal-provincial resource management of renewable resource development is concerned, this administration has nothing of which to be ashamed. On the contrary, within the last seven or eight months, the Canadian council of resource ministers has begun to function as a permanent body with a full time secretariat with projects which it can accomplish and which should be a credit to the country.

Let me say that I listened with great interest to the speech made by the hon. member for Brome-Missisquoi (Mr. Grafftey) whose efforts must have exhausted him. He spoke about co-operative federalism. He accused some of us of smiling. Perhaps there were some of us who were thinking of that great project of co-operative federalism in the area of water resources undertaken during the term of the administration which he was so bravely defending, the Columbia river treaty. He talked about the necessity for consultation between the federal and provincial governments. Here we have a treaty signed with great ceremony in November of 1961 and, lo and behold, someone came to the realization that the provincial jurisdiction over the resource, the entity whose water it was and the people who had the primary access and right to that water, had not given any agreement to what had been transacted by the federal government.

If this is an example of the co-operative federalism which the hon. member from Brome-Missisquoi had in mind, of course we had occasion to smile. Surely no greater example has been given to us in the history of the federal process as it deals with the resources of this country of a lack of proper consultation, of a lack of proper agreement, than the failure of the last administration to take the province of British Columbia into its confidence before signing an international treaty.

Without the protocol, Mr. Speaker, without the sales agreement, British Columbia would not have participated. It was through the efforts of this government and the negotiating team led by the minister of external affairs in this administration that what was once a hopeless morass, became something fulfilled, something truly co-operative.

The hon. member for Burnaby-Coquitlam said he was frightened by what the hon. member for Coast-Capilano (Mr. Davis) had said. He outlined an argument he has used before, as has his seatmate tonight, the hon. member for Kootenay West (Mr. Herridge).

Mr. Herridge: Because they are unanswerable.

Mr. Turner: Unanswerable?—they have been answered for five weeks in the committee on external affairs.

Mr. Herridge: By whom?

Mr. Turner: It is strange, you know, that a party that prides itself upon its imagination should really be so reactionary, so frightened, about dealing in Canada's natural resources and dealing with the future of this country. It is possible today to divert one watershed into another. Modern engineering has given scope to this country and utilization of its greatest natural resources for the benefit of all the people of Canada. Does he not realize, Mr. Speaker, that given the engineering feasibility, at any point in time, any kind of engineering solution can become economically practicable, and Canada has unlimited horizons, unlimited possibilities to develop its natural resources?

I am turning now, if I may—

Mr. Douglas: When did you change your mind about the Columbia?

Mr. Turner: I always had my mind made up about that particular treaty, when properly negotiated.

An hon. Member: Like the hon. member for Kootenay East.

Mr. Turner: There was a parks policy mentioned this afternoon. Let me say to the house that for the first time, on November 18 to November 20, a federal parks conference met not merely at the technical level as had occurred under the previous administration, but at the technical and ministerial level, so that for the first time there was an opportunity to combine technical management and policy. I might say that as a result of that conference in November this country can now look forward to a review and a development of certain of the important aspects of our parklands. At that meeting there was discussed the assessment of non-urban parklands, the factors relating to the selection of parklands, the relationship between provincial lands and national parks, park planning and design, and zoning as a step in the over-all planning of large parks. Finally, in co-operation with the ten provincial jurisdictions and the federal government, we have a co-ordinated parks policy.

Mr. Nielsen: What about the territories?

Mr. Turner: I would not, of course, overlook the territories and I think the learned member for Yukon (Mr. Nielsen) will quite realize that, but for the moment I think the general term federal be wide enough to encompass the lands he has described.

Nothing could be more important to this country than water. The hon. member for Parry Sound-Muskoka (Mr. Aiken) was citing water levels to the house and was trying to relate them in terms of a recent change in climatic and geographical conditions to the responsibilities of the government. I want to read into the record the water levels for lake Huron during the last four years, all taken during the month of March. The long term average level over the period from 1860 to 1963 was 578.36 feet above sea level. In March 1961 the level of lake Huron, below that average level, was 0.53 feet; in March 1962 it was 1.02 feet; in 1963 it was 2.11 feet and in March of this year it was 2.97 feet.

I am citing these figures to illustrate that this trend or cycle in water levels had begun as early as March 1961, and was part of a long term cycle that has been prevalent in Canada over the years. Let me now deal with the annual outflows from lake Huron. The long term average over the same years was 189,000 cubic feet per second, or 11.6 inches of the drainage basin. In 1961 the annual outflow was 182,000 cubic feet per second; in 1962 it was 177,000 cubic feet per second and in 1963 it was 163,000 cubic feet per second, so that the trend as long ago as three or four years, was the same trend that we are experiencing today.

I now wish to emphasize to the house that the outflow from lake Huron has decreased in relation to the increase in water levels. To make the figures clear, I have to set out the annual inflows into lakes Michigan and Huron, where the long term average has been 189,000 cubic feet per second. In 1961 the inflow was 165,000 cubic feet per second; in 1962 it was 149,000 cubic feet per second, and in 1963 it was 153,000 cubic feet per second, so that the inflow below normal of a small amount has a large effect on the lake levels, because the level also of the drainage basin was lowered from the long term average of 11.6 inches to 10.6 inches in 1961, 9.1 inches in 1962 and 9.4 inches in 1963. Here again the trend has not been a sudden one. The trend was something that was foreseeable, something which has been a gradual process.

This government is conscious of the value of water, and tomorrow we hope to illustrate to the house what its policy is with respect to its management as a resource. It is not merely a question of level; it is a question of the interaction of all the interrelated resources. It has to do with the run-off from timber lands, the run-off from cultivated rural areas, the increased consumption of water, and precipitation. It has to do with a number of interrelated factors which are all brought together to an end result, so that any water policy must take into account not only the present yield and profit of water but also the inventory and the deferred benefits.

We will suggest to the house that in a well managed watershed we need an interrelation of forest policy, of agrarian farm policy, of preventives against erosion, against the waste of soil, control of industrial use and of sewage in order to control pollution, together with a fire prevention policy.

Now, Mr. Speaker, before I yield the floor to the hour this evening may I say that I feel the official opposition in presenting this motion and in trying to attribute water levels, that have been developing in cycles, to the actions of this administration is merely indulging in a partisan manoeuvre. The management of our water resources is something in which we are all vitally interested as Canadians, and the official opposition is trying to convert this problem into a trumped up motion of want of confidence.

May I call it ten o'clock, Mr. Speaker?

BUSINESS OF THE HOUSE

Mr. Churchill: I would like to ask the acting house leader if he can forecast the business for Wednesday and the rest of the week?

Mr. MacNaught: Mr. Speaker, on Wednesday we will take the final budget resolution, namely the Estate Tax Act resolution. When that is completed we will take the second reading of Bill No. C-92, an act to amend the Customs Tariff, then the resolution to set up the special committee on defence matters, and finally the second reading of Bill No. C-90, an act to amend the National Defence Act.

Mr. Churchill: What about Friday?

Mr. MacNaught: I cannot forecast Friday.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

Mr. Deputy Speaker: In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore the question is that this house do now adjourn. The hon. member for Queens.

POWER—PASSAMAQUODDY—REQUEST FOR REPORT ON NEGOTIATIONS WITH U.S.

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question upon which I would like to spend much time. It is a question of great concern to the Atlantic region, a region which is greatly needing those factors of industrial growth which have brought prosperity to other parts of the country. We are greatly concerned about these matters in the Atlantic region because, according to the latest returns, 13 per cent of our employable population is unemployed.

We in the maritimes, and this is not confined to New Brunswick alone, have been much interested in the prospect of the great potential development of the Passamaquoddy power project. We feel that this might be an important and major device which would assist us to help ourselves economically, along with those other great projects which I could list in order of priority as the causeway, the corridor road and the Chignecto development.

This Passamaquoddy development should concern all of us in this national parliament. I have been wondering in recent months whether the government of the nation is in fact as concerned as it should be about this important matter. I have read what Premier Robichaud has said; I have read what the leader of the opposition, Mr. Sherwood, has said; and we all know, thanks to his brilliant head and fine mind, what Brigadier Wardell thinks. We know how he has galvanized the interest of the maritime provinces in this matter as well as in other laudable projects. We in the maritimes, who have lost so many brains, have finally received one from another area. Brigadier Wardell is in the foremost category of such persons and he has become a tribune of the maritimes.

We are interested, too, in the tremendous concern which the United States, at the congressional level and at the state level has in this project. The executive level and the state of Maine have shown they are tremendously interested. Their government has moved motions to have something done about the Passamaquoddy. We ask, what is the government of Canada doing; what is it thinking? I looked and listened the other day when the Secretary of State for External Affairs (Mr. Martin) reported on the Canada-United States meeting. The Secretary of State for External Affairs, with all his many virtues, is not one given to laconic brevity, but out of his fulsome report we found only this: "We heard from the United States their ideas on the possible development of Passamaquoddy tidal power." I ask, Mr. Speaker, for some of the ideas of the present government on this hopeful, important, tremendous potential development of the Passamaquoddy.

Is the dominion government interested? What steps will it take, other than listening to the suggestions of the United States, which is apparently prepared to extend tremendous amounts of money to provide for us power at cheaper rates than we have ever had

vouchsafed to us before. I hope that the dominion government—and we have some ministers from the maritimes—will be able to tell us that Canada is at least as interested as the United States; that they will listen to their colleague Premier Robichaud, who on this matter is very perceptive, very persuasive, and will bend their energies in this direction. We would like to know, what is the concern of the Minister of Fisheries in this regard. "Passamaquoddy" is an Indian world meaning bay of pollock. Perhaps it is sardines rather than pollock.

What is the reason for seemingly so little interest? I will not even take up all my seven minutes, Mr. Speaker, because I am solicitous of the Minister of Fisheries. I want him to tell us, in the most fulsome way possible, what this government is doing about this particular matter. In the maritimes we had new hope for six years; we found many things that were long neglected were being looked after. We do not want the clock turned back. We do not want the continuation of that neglect which all of us regretted so much in our hearts and souls for a good many years.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I am pleased to reply to the hon. member with regard to a question which I was prevented from replying to, through no fault of mine, on Thursday last. I agree with the hon. member that we in the maritimes are much interested in the development of the Passamaquoddy project, and I want to assure the hon. member that the government of this country is interested in any project that will benefit the maritimes. He has asked, what is the government of Canada doing? I answered that question which was directed to me on Friday last and which is reported at page 2830 of *Hansard*. The question was asked by the hon. member for Saint John-Albert (Mr. Bell). As I said, I met with the secretary of the interior, Mr. Udall. We discussed the Passamaquoddy project, particularly its implications on the fisheries of the bay of Fundy if such a project were carried on by the United States government. I want to assure the hon. member that no definite commitment has been made to the government of this country by the government of the United States regarding the Passamaquoddy project. Meetings have been held but they have been exploratory.

I want to assure the hon. member that if a decision is reached to proceed with the project we will see to it that a full study is made as to the effects it will have on the fishing industry. I know that during the last six years the maritimes have had new hopes. But the maritimes cannot live on hopes alone, and in the years to come they will have action.

[Mr. Macquarrie.]

UNEMPLOYMENT INSURANCE—BENEFITS TO CANADIAN WORKERS IN STATE OF MAINE

[*Translation*]

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, the point I wish to deal with tonight has been raised on several instances in the house. It has to do with the unemployment insurance of Canadian lumbermen who go to work in the state of Maine.

Indeed, the question has been brought up here for more than ten years, and very seldom has a minister of labour been able to give a satisfactory reply.

The delay in solving this problem is rather hard to understand, considering that the two governments involved get along so well together when it comes to signing an agreement on nuclear arms or sending troops to a foreign land. This goodwill between them should not keep them in the clouds; they should come down to earth and realize that the thousands of people who live near the Canada-United States border wish to see their problems solved satisfactorily as soon as possible.

Agreements have been signed between Canada and 46 American states so that Canadians and Americans who go and work across the border are still entitled to unemployment insurance benefits. Only four states, namely Maine, New Hampshire and two others, have not yet come to terms with Canada in that respect.

Mr. Speaker, I am not aware of the reasons why such an agreement cannot be reached with the state of Maine in favour of the lumbermen who go over there to work.

I would like the Minister of Labour (Mr. MacEachen) to tell us, on behalf of the government, the reasons why an agreement cannot be reached with the state of Maine concerning Canadian lumbermen.

In my opinion, Mr. Speaker, a simple exchange of correspondence between that state and the Canadian government is not good enough to settle that ticklish problem and, futhermore, I do not know whether serious meetings have been held between officials of that state and the Canadian government. I would like to obtain information in respect of meetings which may have been held between the authorities concerned, and if no negotiations have been undertaken I would ask the Minister of Labour to negotiate an agreement with the state of Maine on behalf of the Canadian government.

I hope the Minister of Labour will permit me to offer him a solution to that serious problem. Could he not include in the Unemployment Insurance Act a provision whereby any lumberman going into a neighbouring

state, especially Maine, to work at his trade would be eligible to receive unemployment insurance benefits upon his return.

In my opinion the lack of an agreement to this effect between the state of Maine and the Canadian government constitutes a burden for the latter, since a growing number of bush workers have stopped going to the United States because they find that, when they come back to Canada after working over there five or six months, they are unable to get unemployment insurance benefits. We find such cases especially in my riding and in the neighbouring constituencies of Beauce, Lotbinière and Bellechasse, where more and more bush workers are unemployed.

The minister is a very hard worker who wants to reduce unemployment and help the jobless in Canada.

Therefore, I wish he would tell me what obstacles stand in the way of such an agreement between the Canadian government and the state of Maine in particular.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): In the short moments at my disposal I should try to give the hon. member the information he desires in this connection. There is no lack of desire on the part of the Canadian government or of the unemployment insurance commission to enter into a reciprocal arrangement with the state of Maine. Negotiations between the commission and the state of Maine on this problem have continued for a period of 18 years, and shortly after I became the Minister of Labour I discovered that in all those years the state of Maine had said neither no nor yes to the proposals which had been made by successive Canadian governments.

I undertook last September to go down to the capital of Maine where I met with the governor and the head of the employment security commission, and put forward as forcibly as I could the strong reasons why Maine ought to agree to an arrangement of this sort between herself and Canada. The assurance I received was that Maine would give a definite answer. Five or six weeks later the chief commissioner received a letter stating that Maine would not enter into this kind of reciprocal arrangement.

The hon. member will understand the reasons for this refusal; they are understandable if not commendable. Because of the experience-rating system operative in the state of Maine under the employment security arrangements, the less employment prevailing in any industry the smaller the rate of contribution by the employer, who is the exclusive contributor to the unemployment insurance fund. This constitutes a vested interest in denying coverage for Canadian workers who would otherwise enjoy the benefits of unemployment insurance.

Mr. Deputy Speaker: Order. I have to interrupt the minister, whose time has expired.

HEALTH AND WELFARE—BRITISH COLUMBIA—CLOSING OF MILLER BAY HOSPITAL

Mr. Frank Howard (Skeena): Knowing that the Minister of National Health and Welfare is in hospital I should like to wish her a speedy recovery. I hope she overcomes her difficulties as quickly as possible.

The royal commission on government organization, commonly known as the Glassco commission, made the following recommendation in one of its reports, with respect to Indian health services. I should like to quote from page 201 of the third volume of the report which advises—

> —that a positive program be developed for the more rapid transfer of Indian health care to normal community facilities in populated areas of the provinces.

Because of this and because of the government's decision with respect to veterans hospitals I raised this matter by way of a question to the minister on the 30th of March and I got the answer that there was to be no change, and that there would have been an announcement if there was going to be a change. Subsequently I received a copy of the local newspaper, the Prince Rupert *News*. It contained an article quoting the speaker of the provincial legislature and a reference by him to the minister of health of British Columbia. The effect of the article was that the Miller Bay hospital, which comes under the jurisdiction of the federal department, was to be closed.

Based upon that report I asked another question. Finally, on the 13th of April I received a lengthy, detailed answer read by the parliamentary secretary to the effect that the Miller Bay hospital would be closed at some time in the future as a hospital for the treatment of tubercular cases and as a hospital for general care purposes, but that no time limit had been established. I posed a supplementary question and got an answer by way of a letter which I think should be put on the record because it should have been put on *Hansard* in the first place. The letter is dated April 16, 1964. It is from the Minister of National Health and Welfare (Miss LaMarsh), and the relevant part reads as follows:

> Any special grant made on behalf of the Indian population would have to be the subject of a

request from the Prince Rupert general hospital and would be dealt with on its merits when costs involved were presented to the department.

Because of the implications of that letter I think it should be on *Hansard* so that the general public, and particularly the people involved in Prince Rupert, will be able to see it. There are reports circulating in Prince Rupert and in the Miller Bay hospital at the present time, which reached their peak a day or two ago, to the effect that the Miller Bay hospital is to be reduced from its present 187 bed capacity to only 14 beds by the end of 1965, and there are also rumours that it will be closing shortly thereafter. But nowhere has there been any official declaration that this is not to be the case. Consequently there is great concern.

This is a very serious matter, Mr. Speaker, because the hospital is the only one of its sort in northern British Columbia. Between five and ten thousand native Indian people are involved, and in my opinion the government should make a statement of policy about its intentions not only with respect to the Miller Bay hospital specifically but with respect to all the hospitals which come under the Department of Northern Affairs and National Resources. We would welcome such a statement so that everybody will know where they stand. I would ask the government to keep in mind that the minister herself had no difficulty in getting into a hospital, but if the Miller Bay hospital happens to close many native Indian people in northern British Columbia who may want to get into a hospital will not be able to because the facilities will not be there.

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would point out to the hon. hon. member for Skeena (Mr. Howard) that in the answer to his question given on April 13 last it was pointed out that this hospital was originally to service tubercular Indians, and the case load of tubercular Indians has been reduced to such an extent that the hospital has been gradually converted to a general hospital. In the answer it was also pointed out that the hospital was not going to be phased out, so far as use by the Indians in the area is concerned, until such time as the Prince Rupert general hospital had adequate beds available for the Indians. The reason given for even contemplating the phasing out of the hospital at Miller Bay was that it was of old wartime construction, was not an adequate facility, nor by implication safe.

I am sure that the department is concerned, as a result of the hon. member's representation, that the Indians have proper medical care. However, I do not see anything in the answer which is indicative of the policy of the department which should unduly disturb either the hon. member or the Indian, because it is clearly stated there is no intention of closing out the hospital. I do not believe we should be too concerned about rumours the hon. member may have heard, since there is no intention of closing out the hospital until adequate facilities at the Prince Rupert general hospital are available to take care of the Indian.

Motion agreed to and the house adjourned at 10.23 p.m.

HOUSE OF COMMONS

Tuesday, May 5, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. MARCOUX—STATEMENT BY JUSTICE MINISTER RESPECTING JULES SIOUI

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I rise on a question of privilege.

As related on page 2761 of *Hansard*, the Minister of Justice (Mr. Favreau), in reply to a question put by the hon. member for Chapleau (Mr. Laprise) concerning the Indian chief Jules Sioui, answered:

Mr. Speaker, I asked to be informed on the case of Jules Sioui who has been in jail for almost a year and I realized, just by looking at the record, that this case was never submitted to my department.

In all fairness to the Department of Justice and for those who dealt with the case, I must inform the house that I myself instituted proceedings to have Jules Sioui released.

I do not want to insinuate that the minister knowingly misled the house, but I think he was misinformed by his own officials, so that the answer he gave on April 30 last was wrong.

In order to clear up any misunderstanding, I shall read the correspondence I had with the former minister of justice, Hon. Lionel Chevrier, and with the attorney general for the province of Quebec, Hon. Georges-Émile Lapalme.

On June 10, 1963, I wrote the following letter to Mr. Chevrier:

Dear Mr. Chevrier:

On May 10, 1963, Mr. Jules Sioui, an Indian of the Huron reserve, was sentenced to a month in jail for having "maculated electoral lists" placed on the reserve.

And at this stage I should like to inform the house that the Indian reserve is located in my riding. I continue:

The jury had then asked for the leniency of Justice Gérard Lacroix.

Immediately after the sentence, Mr. Sioui expressed his wish to appeal from the judge's decision. He then had to sign a bail enabling him to prepare his new trial before the court of appeals. But almost immediately, a justice employee tore up the signed document.

At the termination of the jail term, on June 6, Mrs. Jules Sioui—a 75 year old woman—went to meet her husband at the Quebec jail. A jail officer then told her that Mr. Sioui had to post a bond to keep the peace for a period of 18 months. The sentencing document was shown to her.

Mrs. Sioui noticed that the characters in which the mention of bail was written were different from those which had been used for the original sentence.

Mr. Sioui, who was surprised by that addition, refused to sign the document. He has been kept in prison ever since.

And, which is a fact worth mentioning, the letter is dated June 10, 1963. I go on with the letter:

We maintain that he is now illegally detained in the Quebec jail.

I therefore respectfully submit that a request for the immediate liberation of Mr. Jules Sioui is under your jurisdiction.

I trust that your intervention will ensue at the earliest opportunity and remain, sir, yours very truly.

(Signed) Guy Marcoux
Member for Quebec-Montmorency

On June 26, 1963, I received from the minister of justice, Hon. Lionel Chevrier, the following letter:

Dear Mr. Marcoux:

I thank you for your letter of June 10 last concerning Mr. Jules Sioui, an Indian from the Huron reserve, near Quebec, who was recently sentenced to a month's imprisonment, after having being convicted of smearing up election lists. The chief electoral officer, as well as the lawyer he appointed to conduct the preliminary inquiry in the Sioui case, informed us that they had not been aware of the developments mentioned in your letter. On the other hand, I should tell you that when the Sioui case came up for trial, it was in the hands of one of the substitutes of the attorney general for Quebec.

On the other hand, the employees of the various courts of justice are under the jurisdiction of the attorney general of Quebec and the contents of your letter lead me to believe that this is a matter which comes under the jurisdiction of the attorney general of Quebec.

Consequently, and again according to the purport of your letter, it seems to be a case in which my jurisdiction does not entitle me to intervene.

I remain, dear Mr. Marcoux, yours very truly,
Lionel Chevrier.

On July 5, 1963, I wrote a letter to the attorney general of the province of Quebec from which I shall read only a few excerpts:

Moreover, I approached the chief electoral officer of Canada, who confirmed the text of the sentence and the fact that the matter was under your own jurisdiction. (He wonders why it should be so.)

I ended my letter in saying:

I respectfully submit, therefore, that it seems obvious that Mr. Sioui is now being illegally confined to the Quebec jail and that you alone can order his immediate release.

Question of Privilege

On July 15, 1963, Mr. Speaker, I had to write once again to the attorney general of the province of Quebec, since I had not received any reply to my letter of July 5. I shall spare the house the reading of that last letter.

On July 16, 1963, I received a letter from the assistant deputy attorney general of the province of Quebec concerning file No. 23233-63, in which it was written:

As you mentioned in your letter, on May 10, 1963, Jules Sioui was sentenced to a month in jail for an offence against section 72 of the Canada Elections Act. In addition, he was ordered by the court to provide a $500 bond as a guarantee that he would keep the peace for 18 months.

The judgment passed by Justice Gérard Lacroix stipulates that this $500 bond is to be signed at the expiration of the sentence and that Jules Sioui must not be released until it has been signed.

We are informed by the prison authorities that Sioui refuses to sign the bond on the grounds that he would be submitting to federal authority if he did.

P. Frenette
Assistant Deputy Attorney General

As you can see, Mr. Speaker, that is quite a complicated matter which the Minister of Justice will surely wish to clarify for the house, since we learned just a few days ago that, for no apparent reason, Justice Gérard Lacroix released the prisoner at the end of the period he spent in jail.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I do not think there is any contradiction between what the hon. member for Quebec-Montmorency (Mr. Marcoux) has just stated on a question of privilege and the reply I gave the other day in the house. This is what I said at that time:

—and I realized, just by looking at the record, that this case was never submitted to my department.

The statement is clear, Mr. Speaker. The accusation was laid under the Canada Elections Act by the chief electoral officer acting on his own. The Department of Justice does not interfere in such cases because the chief electoral officer is responsible to the House of Commons, not to the government. He appoints his own counsel and the case was prosecuted in Quebec city with the assistance of the Quebec attorney general's office, which looks after the administration of justice in that province.

The hon. member for Quebec-Montmorency claims that he intervened in May and June 1963. The situation was brought to my attention and although I knew that I could not intervene directly since the question was outside my jurisdiction, I asked my officials to communicate with the Quebec attorney general's office, since the case was somewhat pathetic in view of the fact that the prisoner refused to help himself. The provincial authorities must have taken the necessary steps, since Mr. Sioui has now been released.

[*Text*]

PROCEDURE

THIRD REPORT OF SPECIAL COMMITTEE

Mr. Speaker: I have the honour to present the third report of the special committee on procedure and organization. At this time I recognize the hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of Your Honour's committee on procedure and organization, may I inform hon. members that we would like to move concurrence in this report on Thursday of this week. The subject matter is that of the making of statements on motions.

CANADIAN COASTGUARD

ANNOUNCEMENT OF TRAINING COLLEGE FOR OFFICERS

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I should like to make a statement regarding a matter of policy. For some time the government has been considering the establishment of a training college for new entry officers for the Canadian coastguard. It has now been decided to take advantage of the availability of surplus facilities at the Point Edward naval base at Sydney, Nova Scotia, to get this essential project started. This, of course, will be subject to the provision of the necessary funds by parliament.

In recent years the work of departmental ships has expanded from the maintenance of aids to navigation and some local surveying and icebreaking to a whole range of marine activities. This fleet now mans the weather stations in the north Pacific ocean, covers Arctic supply convoys, escorts the increasingly important winter traffic into east coast ports and the gulf of St. Lawrence, supports scientific work afloat, and provides a special rescue service.

Including ships now building, the coastguard will have grown in 15 years from 27 to 60 ships, plus some 150 large work boats, tugs and barges. The modern units in this growing fleet are increasingly complex and costly, and they are required to operate in situations of special hazard.

Up to the present the department has relied on the maritime industry to provide officers for this important fleet; but the expanding need for officers has been met by drawing on sources that cannot be tapped again, such as the former Canadian National

West Indies service, other flag transfers and direct recruiting abroad. These sources have not provided many Canadian recruits. The efforts of existing marine schools in various parts of Canada are directed mainly toward meeting local needs of a less complex nature.

To the extent that schools such as the marine school at Rimouski, Quebec, and the new college of fisheries and navigation at St. John's, Newfoundland, and other local institutions can meet the standards and syllabus requirements of the new college, arrangements will be made for cadets to take basic training in navigation and other agreed portions of their course at these institutions. This plan will prevent duplication of resources and enable the new college to concentrate on needs that cannot be met in existing schools.

In view of the critical shortage of new officers for the coastguard anticipated in the next few years, it is the intention of the government to proceed with the establishment of the Canadian coastguard college as quickly as possible, as soon as parliamentary approval has been received. Specific entry requirements and other related information will be made public as soon as the detailed arrangements can be worked out. The first step will be to find a suitable director and recruit the staff.

It is not anticipated that actual training will begin until some time in 1965, but I thought it desirable to make this statement at this time as some steps must be taken almost immediately at Point Edward, and I knew the anxiety there was in all parts of the house to make use of these facilities that are no longer required by the navy.

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I am sure the house is very grateful to the minister for making his statement at this time because some of us may be a little busy tonight at the time of the C.B.C. newscast. I am very glad to hear the minister make this announcement covering something which is part of a general plan that was established by the previous government.

I think all hon. members know that great services are rendered to our country by the coastguard. Its fleet is an excellent one and very often operates under very strenuous circumstances off the shores of Canada. It is playing a major role so far as Canada's trade is concerned, and in the past has played a major role in very dangerous rescue operations. While I was minister of transport I had the pleasure of presiding over the modernization of the fleet and over a few changes made in it. Its vessels are now painted differently. All the ships are very easily distinguishable, and uniforms have been issued to the various members of the fleet.

I am sure this college will meet a need and will give opportunities to young Canadians to find good careers in the Canadian coastguard service. The choice of Sydney is excellent, specially when one thinks of the great naval tradition of this great Canadian seaport.

There is one point the minister has not mentioned. I hope this school will be bilingual, because the great majority of the officers and men serving on these ships come from the shores of the St. Lawrence, and this would be a good opportunity for young Canadians to learn our two national languages.

Mr. Pickersgill: This is taken for granted.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of this party welcome the minister's announcement that a coastguard college is to be established at Point Edward naval base in Sydney, on Cape Breton island. The need for such an institution has been well known for a long time, and I think this will help fill that need. With the curtailment of some of the naval installations across Canada many of the Royal Canadian Navy personnel might be suitable persons for officers in the coastguard, and this should be a very fertile field for recruitment of people to serve in the Canadian coastguard.

We are particularly pleased that the government has selected Point Edward naval base at Sydney, Nova Scotia, for this purpose. All of us who are familiar with conditions in Cape Breton know of the serious unemployment situation that was likely to take place as a result of the closing of Point Edward naval base. If this helps to meet that unemployment situation I am sure it will be welcomed by members in all parts of the house, and that it will be particularly gratifying news to people in the Sydney area.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I think we must welcome the minister's announcement that a coast guard college is to be established in Sydney, Nova Scotia. That college will certainly promote the development of Canadian talents.

We do hope that the government will also formulate a policy for the building up of a merchant service in Canada; that would permit not only to give training but also provide many jobs to Canadians interested in the navy.

Canadian Coastguard

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we join the other groups in welcoming this announcement for the setting up of a training college for coast guards.

Of course, Canada is a very large country, a lucky country because of its geographical advantages; indeed, a large part of our territorial limits are joining the two largest oceans in the world. That means that our country has a part to play in the field of coast guarding.

Like previous speakers, I should like to take the opportunity to express the hope that this will be a first step toward the development of a Canadian merchant navy that will be able to fly on all the seas of the world the Canadian flag—which we hope to have soon.

[*Text*]

[*Later:*]

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): I should like to direct a question to the Minister of Labour. Perhaps first I would be permitted to express my appreciation for the announcement made by the Minister of Transport, and no doubt the Minister of Labour had a hand in that. I should like to express my appreciation further of the fact the government has finally realized the merits of the Point Edward naval base.

My question to the minister is, what effect will this announcement today have on the notices of termination of work at the Point Edward naval base which have been received by many employees during the past few days?

Hon. A. J. MacEachen (Minister of Labour): Well, the administration of the naval base is a matter for the Department of National Defence. I have no knowledge what effect, if any, may ensue from this announcement.

Mr. MacInnis: I am somewhat concerned that the Minister of Labour informs the house that he has no knowledge of employment matters in Cape Breton. I should like to ask the Minister of National Defence what effect today's announcement may have on the many notices of termination of employment received by employees at the Point Edward naval base.

Mr. Speaker: This is a broad, general question, and I do not believe it is in order.

UNITED NATIONS

TABLING OF REPORT OF SECRETARY GENERAL ON CYPRUS OPERATION

Hon. Paul Martin (Secretary of State for External Affairs): I wish to table copies in English and in French of a report by the secretary general of the United Nations to the security council dated May 2 on the organization and operation of the United Nations peace keeping force in Cyprus.

MINES, FORESTS AND WATERS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. O. J. Godin (Nickel Belt) moved that the first report of the standing committee on mines, forests and waters, presented to the house on Friday, May 1, be concurred in.

Motion agreed to.

TRADE

CANADIAN ATTITUDE AT GENEVA CONFERENCE RESPECTING AGRICULTURE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I direct a question to the Minister of Agriculture, who in addition to occupying that post is also the Acting Minister of Trade and Commerce, and ask him whether he would advise the house what attitude is being taken by the Canadian delegation at the conference in Geneva relative to the agricultural areas composing the European common market; and what in particular is Canada's contribution in this regard to the debate?

Hon. Harry W. Hays (Minister of Agriculture): In reply to the right hon. gentleman I can assure him that the Department of Agriculture is well represented at the conference by the Minister of Trade and Commerce, and that before my colleague left to attend the conference we discussed the problems of Canadian agriculture for many hours. I have every confidence that Canada's interests will be looked after as far as agriculture is concerned.

Mr. Diefenbaker: I would ask the minister, though, to direct his mind to the question. What is to be the stand of the Canadian delegation in this connection?

Some hon. Members: Order paper.

Mr. Diefenbaker: I wonder whether the minister, who seems to have given away a portion of his portfolio to the Minister of Trade and Commerce—

Right Hon. L. B. Pearson (Prime Minister): The right hon. gentleman surely remembers that the Minister of Trade and Commerce made a statement in this house about the general principles which underlie Canadian policy at this conference. He also knows that the conference is going on now, and that a good many of the meetings are held

in secret. He knows it would be most inappropriate at this stage to disclose the details of the Canadian position.

Mr. Diefenbaker: The Minister of Agriculture now has another departmental helper. I ask the Prime Minister, then, to tell the house, if he knows, what is the attitude on the subject of agricultural protection. There was no statement made which gave any particulars on that point. I am not asking the right hon. gentleman to go into detail, but we should like to know what attitude is being taken on a question as important as this, instead of keeping us in the dark.

Mr. Pearson: Mr. Speaker, I would ask the right hon. gentleman to read the statement of the Minister of Trade and Commerce on this matter. Surely the right hon. gentleman does not expect the government to announce in detail at the beginning of an international conference what will be the policy of the Canadian government. That may have been the principle adopted by my right hon. friend, but it is certainly not the principle which is going to be adopted by this government.

Mr. Diefenbaker: Mr. Speaker, does the right hon. gentleman contend that policy in this regard is going to be subject to the multiple changes which we have seen under this government in every measure which it has undertaken?

Mr. Pearson: I will say this, Mr. Speaker, that I am sure the policy of this government at these international conferences will achieve far greater success in this field than the right hon. gentleman was able to achieve during his six years.

SUGAR

REQUEST FOR CONSIDERATION OF REMOVAL OF TARIFF

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Prime Minister. Would the government be prepared to give consideration to removing the discriminatory tariff on sugar, behind which the sugar companies in this country have been fleecing the consumers over the past 12 months?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this and many other matters will come up during the course of this conference. I am sure my hon. friend would not expect me to disclose the details of our policies in respect to important international negotiations at this time. This would be a fine way to conduct international economic diplomacy.

Mr. Douglas: A supplementary question. I was not asking the Prime Minister this question in relation to the international negotiations which are now going on. I was asking the Prime Minister whether the government would be prepared in the near future to give consideration to removing the discriminatory tariff on sugar, which has allowed the sugar companies of this country to fleece the public so that the Canadian housewife is paying more for sugar than is her United States counterpart or the sugar consumers in the United Kingdom.

Mr. Pearson: We would, of course, be glad to give consideration to this as one of many matters which will be considered at the conference, and which will be one of many matters related, for instance, to commonwealth preferences and other measures which will come up for discussion at Geneva, all of which we hope will lead to a great increase in international trade generally from which Canada will be able to benefit.

[*Later:*]

Mr. W. H. A. Thomas (Middlesex West): May I ask a question supplementary to the one asked by the hon. member for Burnaby-Coquitlam. Can the Prime Minister assure the house that in any negotiations concerning sugar tariffs the interests of the Canadian sugar beet producers will be fully protected in order to encourage greater domestic production and to protect Canadian job opportunities?

Mr. Pearson: Yes, I can give that assurance, both in respect of the producer and also in respect of the consumer.

IMMIGRATION

QUEBEC—NEGOTIATIONS WITH PROVINCIAL MINISTER

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Citizenship and Immigration.

Since the minister of natural resources of the province of Quebec stated the day before yesterday that the province should take care of its immigration itself, would the minister tell us whether he is having discussions with the provincial minister of national resources in respect to this important question of immigration?

Hon. René Tremblay (Minister of Citizenship and Immigration): No, Mr. Speaker.

[*Text*]

PUBLICATIONS

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a question for the Prime Minister. Is it the intention of the government to bring down legislation shortly concerning periodicals which would extend protection provisions to all Canadian publications and against all foreign publications, including *Time* and *Reader's Digest*?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is unfortunate that the hon. gentleman does not know there is a resolution on the order paper in this regard.

Mr. Martineau: Mr. Speaker, my question dealt principally with whether the government intends to extend these provisions to *Time* and *Reader's Digest*.

PENSIONS

CANADA PLAN—REQUEST FOR STATEMENT ON UNIVERSAL APPLICATION

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Prime Minister. Would he tell us how it is possible to conciliate his statement to the effect that there would be only one national pension plan, which would be the same for all Canada, with the statement by Mr. Lesage that there will be only one provincial pension plan in Quebec, and that this scheme will be strictly provincial?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have already answered this question twice. I am sorry it has not been to the satisfaction of my hon. friend.

[*Translation*]

Mr. Balcer: As a supplementary question, Mr. Speaker, could the Prime Minister tell us if the provinces, by accepting the proposal of the federal government, thereby lose the priority rights conferred on them by section 94A of the British North America Act?

[*Text*]

Mr. Pearson: No, Mr. Speaker; neither the provincial government nor the federal government loses any right it possesses in this field.

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): A supplementary question, Mr. Speaker, arising from the statement made yesterday in Vancouver by the Minister of Finance. Would the Prime Minister tell the house if the government intends to postpone again its legislation concerning the pension plan?

[*Text*]

Mr. Pearson: Mr. Speaker, there is no such intention, and the Minister of Finance to my knowledge has made no such statement.

[*Later:*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister what progress has been made in securing the consent of the provinces to an amendment to provide survivor benefits under the prospective pension legislation. At the same time would he clarify the statement allegedly made yesterday by the Minister of Finance that the pension legislation will not be proceeded with now but that it will be approximately a year before it will be ready to be proceeded with?

Mr. Pearson: Mr. Speaker, I do not think I should be asked to comment on a statement allegedly made by the Minister of Finance. I will inquire of the Minister of Finance as soon as he returns later today exactly what he did say, and make whatever comment is required tomorrow.

As far as the first part of the question is concerned, we are in touch with the provinces in regard to a constitutional amendment and other matters connected with the proposed pension legislation.

Mr. Diefenbaker: Without commenting on what the Minister of Finance allegedly said, will the Prime Minister tell the house and give the assurance to the Canadian people that the pension legislation will be proceeded with at this session, and immediately?

Mr. Pearson: Mr. Speaker, I am interested in proceeding with this legislation without delay, but I am also interested in including in the legislation survivor benefits, and we wish to get the constitutional amendment required for that purpose as quickly as possible. We know now that all provinces are agreeable to this kind of amendment. We have been in touch with them as to the exact form of the amendment before we submit it to the place where it has to be passed.

Mr. Diefenbaker: In view of the progress that has been made and the fact that the provinces are in agreement, would it not be possible to proceed simultaneously with the pension legislation and get it into committee while at the same time proceeding with the

amendment to the constitution, which will be accepted by the house and certainly will not be turned down by Westminster?

Mr. Pearson: Surely the right hon. gentleman does not ask us to include in a bill prepared for this house a provision which would be ultra vires of this house until the constitutional amendment is passed?

Mr. Diefenbaker: Is this the excuse for delay in this connection?

Mr. Pearson: It is the excuse for observing the constitution. Mr. Speaker, I want to give my right hon. friend complete information. It is also the reason alleged by my right hon. friend's government for doing nothing for five years.

Mr. Diefenbaker: Mr. Speaker, we at least endeavoured to secure consent and did not. The Prime Minister says he has consent, and he will not go ahead. It looks as if there is a scheme to delay this legislation.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister a supplementary question for purposes of clarification. If he gave the answer a few minutes ago, perhaps he could repeat it. Is it the intention of the government to proceed with the pension legislation at this session?

Mr. Pearson: Mr. Speaker, we hope we will have the constitutional amendment in time so that we can proceed in this session, indeed in this part of the session if possible.

Hon. D. S. Harkness (Calgary North): May I ask a supplementary question. In answer to a question by the hon. member for Burnaby-Coquitlam the Prime Minister said he hoped this legislation would go through in this part of the session. What did he mean by that?

Mr. Pearson: I hope that at least we will have a long week end some time this summer.

EXTERNAL AFFAIRS

CYPRUS—CONTRIBUTIONS OF TROOPS BY ADDITIONAL COUNTRIES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Yesterday the Secretary of State for External Affairs informed the house that Australia and New Zealand were sending troops to the United Nations force in Cyprus. This morning there was a report over the air indicating that Denmark was likewise sending troops to Cyprus. Could the Secretary of State for External Affairs tell us whether it is a fact that Denmark is sending troops to the United Nations force in Cyprus. Could he also tell us the number of troops being sent by New Zealand and Australia, what is the total number of troops in the U.N. force in Cyprus, and finally—

Some hon. Members: Order paper.

Mr. Nesbitt: —are any of these troops being used to replace troops from the United Kingdom?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I did not say that Australia was sending troops. I said that Australia had agreed to supply a police group numbering about 28. I said that New Zealand was sending a police group of about the same number, and that Denmark had agreed to send a contingent. The total number now in the United Nations peace keeping force is 6,369, and the present force level of the United Kingdom is 2,719. There are 6,341 United Nations troops now in the United Nations peace keeping force.

Mr. Nesbitt: A supplementary question, Mr. Speaker. Are any of these troops which are coming from Denmark or any of the members of police forces which are being sent by Australia and New Zealand intended to replace United Kingdom troops presently in the force?

Mr. Martin (Essex East): Some of them, Mr. Speaker, will replace some of the permissible level of 3,500 United Kingdom troops.

FINANCE

REPORTED INCREASE IN DEBT TO LENDING INSTITUTIONS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question is to the Prime Minister in the absence of the Minister of Finance. It arises from a dominion bureau of statistics release yesterday which indicates that in the past year Canadians have gone $500 million further into debt to finance companies and lending institutions, representing a 12 per cent increase. My question is, now that we have nearly reached the credit limits, where is the Canadian taxpayer going to get the money with which to pay the increased taxes forecast last night by the Minister of Finance?

Mr. Speaker: Order, please. This question is far too broad in scope to entertain a quick answer.

Inquiries of the Ministry

REPORTED SALE OF CANADIAN INSURANCE COMPANY TO U.S. INTERESTS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, the Minister of Finance being absent, I should like to direct a question to his parliamentary secretary. Could he tell the house whether the government has intervened or intends to intervene in order to prevent l'Industrielle, Compagnie d'Assurance-vie, a Quebec French Canadian firm, from being sold to United States interests?

[*Text*]

Mr. Speaker: Order. I am sure this question requires a careful answer, and I suggest that it should be put on the order paper.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to direct a question to the Minister of Finance. In his absence, I should like to ask his parliamentary secretary to assure the house that he will give his immediate attention to the sale of the life insurance company "L'Industrielle."

[*Text*]

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): I believe this is the type of question that should be put on the order paper.

VETERANS AFFAIRS

LANCASTER HOSPITAL, NEW BRUNSWICK— NEGOTIATIONS WITH PROVINCE

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Veterans Affairs further to questions that have been asked about the Colonel Belcher and other military hospitals. May I ask the minister whether any discussions whatsoever have taken place with regard to Lancaster hospital in New Brunswick, particularly the Ridgewood annex; and if so, what have been the results of such discussions?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, we have had a communication from the compensation board of the province requesting the purchase of a part of the property at Ridgewood. They have had it surveyed. We have replied that we are prepared to talk to them with regard to part of that property. This is where the matter rests at this moment.

[Mr. Speaker.]

Mr. Bell: Will veterans organizations be consulted in the way that was outlined with respect to the changeover?

Mr. Teillet: In this instance, Mr. Speaker, this matter concerns property that is not now in use.

PARLIAMENT BUILDINGS

REQUEST FOR IMPROVEMENT IN MEMBERS' ACCOMMODATION

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, may I direct a very urgent and important question to the Minister of Public Works, notice of which has been given. In view of the approach of summer, so beautifully illustrated by the tulips in front of this building; the fact that our summer recess may be of short duration, and the lack of proper ventilation in many offices in this building, would the minister consider making temporary improvements until the rooms have been air conditioned?

An hon. Member: Move back to the west block.

Mr. Speaker: Order, please. Undoubtedly this is a very pressing and heated question.

Some hon. Members: Oh, oh.

Mr. Speaker: Nevertheless it requires a very detailed answer, and may I suggest that the hon. member put it on the order paper.

CANADA YEAR BOOK

DELAY IN PREPARATION OF FRENCH EDITION

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct a question to the Secretary of State?

Could the minister tell the house why the French version of the Canada Year Book is to be published in July only, whereas the English edition has already been published?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I shall inquire and report to the hon. member.

Mr. Pigeon: Mr. Speaker, may I ask a supplementary question?

Is the minister not of the opinion that instead of setting up an inquiry on biculturalism, which will cost half a million, the government should rather be less hypocritical and do something?

Mr. Lamontagne: Mr. Speaker, as my hon. friend is undoubtedly aware, the government's translation services were seriously neglected under the former administration

and we must now develop them so that both editions can be published simultaneously.

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

[*Text*]

Mr. Speaker: Order. I am going to raise a point of order myself for a change. Under the instructions given me, answers to questions should be as brief as possible, should deal with the matter raised, and should not provoke debate. The same thing goes for questions asked.

[*Translation*]

Mr. Pigeon: Mr. Speaker, may I ask a very short supplementary question?

Can the minister tell the house why, in 1961, when the Conservative party was in power, the Canada Year Book was published at the same time in English and French?

[*Text*]

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO ESTABLISHMENT OF SECRETARIAT

On the orders of the day:

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, may I direct a question to the Minister of Justice?

Did the minister make a statement yesterday in Montreal, to the effect that the federal government has established, in the privy council office, a secretariat to deal with federal-provincial relations?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I am not in the habit of interpreting my own speeches, but for more security, I shall be pleased to send the hon. member a copy of my speech.

Mr. Grafftey: Mr. Speaker, after such an answer I believe I am justified in raising the matter, this evening, after ten o'clock.

[*Text*]

Mr. Speaker: Order. I do not think I quite understood the hon. member. It seemed to me that his question was answered. Does the hon. member wish to put it again at ten o'clock? Is he not satisfied with the answer given?

Mr. Grafftey: Mr. Speaker, I certainly do not consider that my question was answered and I should like to have it brought forward for debate after ten o'clock.

LABOUR RELATIONS

GREAT LAKES—RECOMMENDATION BY COUNSEL RESPECTING PROSECUTION OF MCLAUGHLIN

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to put a question to the Minister of Justice, and perhaps I might preface my question by congratulating the officials of the department, through the minister, for the conviction of Banks. My question arises out of a remark made by Mr. Justice Wagner and also a question I put to the Minister of Justice some time ago. Are the minister and his department considering laying a charge against McLaughlin, as was recommended by this party and carried out against Banks, and bringing McLaughlin before the courts of justice?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the matter is presently before the courts. I think it would be out of order, therefore, for me to comment on it. However, the hon. member may be assured that in my department every consideration is being given to all the relevant factors in the circumstances.

Mr. Woolliams: I rise on a point of order, Mr. Speaker. I do not understand what the Minister of Justice means by his reference to the matter being before the courts, because it has now been decided as far as Banks is concerned; he has been brought before the court of justice and sentenced to five years imprisonment. My question arises out of a remark made by Mr. Justice Wagner with reference to Mr. Banks, and it also refers to Mr. McLaughlin. My question the other day referred to the report made by counsel to this government. That committee was appointed by this government, and I should like to know whether the report recommended that a charge be laid against McLaughlin. We put the same question to the former minister of justice and did not receive a reply at that time.

Mr. Speaker: Order. This question requires a legal opinion from the Minister of Justice, a legal opinion from the Minister of Justice, this time.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I have a supplementary question for the Minister of Labour. In view of the statement contained in the judgment handed down in the last few days with respect to Mr. Banks, to the effect that Mr. McLaughlin was involved almost as deeply as Mr. Banks, does the minister intend to go ahead with placing Mr. McLaughlin in the position of president of the S.I.U.?

Mr. Speaker: The same remarks apply, I believe, to this question.

ARTS, LETTERS AND SCIENCES

ATTENDANCE AT ROYAL COMMISSION HEARINGS BY MEMBERS OF PUBLIC SERVICE AND ARMED FORCES

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is

for the Minister of National Defence. Did the minister hear the report on the C.B.C. news today that the brigadier in command at Kingston has issued orders that no personnel under his command may attend the hearings of the bicultural commission to be held in Kingston? If so, has he any comment to make on it?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I did not hear the report but it has been drawn to my attention and we are looking into the matter.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a supplementary question to direct to the Secretary of State.

[*Translation*]

Would the minister explain to us why orders have been given to civil servants not to attend or take part in the sitting of the commission on biculturalism and bilingualism which will take place in Kingston tonight and, by the same token, can the minister tell us whether similar orders will apply to all the sittings of the commission?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I am not aware of any instruction to that effect.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, a supplementary question—

Mr. Martineau: A supplementary question, Mr. Speaker. Would the Secretary of State inquire about this situation, since this report was broadcast over the C.B.C. all day long?

Mr. Lamontagne: I shall be pleased to do so, Mr. Speaker.

Mr. Grégoire: Mr. Speaker, I should like to put a supplementary question to the Prime Minister. About two weeks ago I asked him whether federal civil servants have been instructed not to appear before the Laurendeau-Dunton commission. At that time the Prime Minister replied that he would inquire of the civil service commission. Is he now in a position to answer this question?

Moreover, I wish to remind him that we had also referred to members of the armed forces.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no reason why civil servants should not appear before the commission, and no orders to the contrary have been given. The question of members of the armed forces is under consideration.

Mr. R. Gordon L. Fairweather (Royal): A supplementary question, Mr. Speaker. As the meeting is tonight, I wonder whether the Minister of National Defence could notify the military officials in Kingston. Cannot the same position be taken with regard to the armed forces that has been taken with regard to civil servants, and let these people participate?

Mr. Hellyer: We have been looking into this matter. Unfortunately the Associate Minister of National Defence, who has been handling it, is in Petawawa today. An effort is being made to reach him this afternoon to see how far along with the negotiations we have proceeded, and if we can get the matter straightened out this afternoon it will be done.

Mr. Cameron (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. Negotiations with whom?

Mr. Hellyer: As the hon. gentleman probably knows, appearing before a royal commission in a matter of this kind would be prohibited by Queen's regulations, and the question to be determined is by what means we might be able to make it possible for members of the armed forces to be heard.

Mr. Fairweather: Change the Queen's regulations.

Mr. Cameron (Nanaimo-Cowichan-The Islands): A supplementary question. Is the minister telling us that members of the armed forces must not attend to listen to the proceedings of this commission?

Mr. Hellyer: No, Mr. Speaker, certainly not. I have already said I have not seen the order, and I have promised to look into it; so you might be patient until I have had a chance to do so.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. We are not asking the minister anything about patience. He has been asked a simple question by the hon. member for Royal. Is he prepared to communicate with the brigadier in that military area and tell him to make it absolutely clear to all military personnel that they may attend as spectators the meeting of the royal commission without this in any way contravening the regulations?

Mr. Hellyer: That much at least will be done. The question to be determined is whether they will be able to make representations personally to the commissioners.

Mr. Pigeon: You are the minister. Give an order.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to

direct a question to the Prime Minister. Would he recommend that the Dunton-Laurendeau royal commission be authorized to inquire into every department and crown corporation coming under federal jurisdiction?

[*Text*]

Mr. Pearson: The commission has its terms of reference, which have already been made public.

POST OFFICE DEPARTMENT

WINNIPEG—POSSIBLE USE OF MAILS TO DEFRAUD

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the Postmaster General. Will the Postmaster General look into the front page report in a recent issue of the Winnipeg *Tribune* concerning the alleged use of the mails by a finance company in a way which resulted in a catastrophic loss to a victim, to determine whether such use of the mails was fraudulent?

Hon. J. R. Nicholson (Postmaster General): I will be very glad to, Mr. Speaker.

ADMINISTRATION OF JUSTICE

STEPS TO DEAL WITH SO-CALLED "HATE" LITERATURE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Justice. In view of the fact that the government has not amended the Criminal Code with respect to the distribution of hate literature, can the minister advise the house why charges have not been laid against those distributing this literature?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the answer to the second part of the question, as to why charges have not been laid, is that it is not under the control of the Department of Justice to lay charges, because the application of the Criminal Code is under the immediate authority of the various attorneys general. As far as the first part of the question is concerned, I might answer again that the matter of a possible amendment to the Criminal Code is being looked into very actively. As recently as last week I had conversations with my officials, and the matter is being pursued.

Mr. Hales: A supplementary question, Mr. Speaker. Was this matter not discussed at the federal-provincial conference and an understanding reached?

Mr. Favreau: I did not have the honour to be Minister of Justice then and I would have to be advised by my officials as to this last question. I will be pleased to inform myself and answer.

INQUIRY AS TO ACTION FOLLOWING PERJURY TRIAL IN TORONTO

On the orders of the day:

Mr. Erik Nielsen (Yukon): A few days ago I directed the attention of the Minister of Justice to the evidence of Mr. Justice Landreville in the Farris trial. Has he yet read that evidence, and if so is any action contemplated by the government?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I have given the necessary instructions but the evidence is not yet in my possession, and to make myself fully conversant with all the facts I must be in possession of the evidence.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, after the trip by the Minister of Northern Affairs and National Resources to the west coast may I ask him whether the victims of the tidal wave in the Albernis can now look for early relief?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): The answer to that question is yes, of course, Mr. Speaker.

Mr. Chatterton: A supplementary question. Can the minister say whether the province of British Columbia has yet requested assistance?

Mr. Laing: Mr. Speaker, we have received a wire from the premier of British Columbia today which I do not wish to make available to the house at this time because it requires some study. It does not ask for help. It does not say that the damage is beyond the capacity of the municipalities and the province to pay. We will be making some assessment of the wire, and probably I will make a statement tomorrow.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. May I ask the minister if it stipulates any amount of money which the provincial government is asking the federal government to put up in order to assist the flood victims in that area?

Mr. Laing: No, no sum is mentioned.

Inquiries of the Ministry

GRAIN

WHEAT—INTRODUCTION OF TWO PRICE SYSTEM

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): In the absence of the Minister of Agriculture in his dual capacity, I should like to direct my question to the Prime Minister. Is it the intention of the government at this session to introduce legislation to establish a two price system for wheat in Canada and a guaranteed price of $2 per bushel basis Fort William?

Right Hon. L. B. Pearson (Prime Minister): I will take that matter under consideration and discuss it with the Minister of Trade and Commerce and the Minister of Agriculture.

SHIPPING

CONSIDERATION OF BRIEF RESPECTING MERCHANT MARINE

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Since the Minister of Transport is in an optimistic and nautical mood today with his statement concerning the training of coast-guard officers, may I ask the minister if he has noted the statement made by the S.I.U. urging the establishment of a merchant fleet, with resultant jobs for merchant seamen; and when can we expect a reply to the brief in this regard that was put before the cabinet recently?

Hon. J. W. Pickersgill (Minister of Transport): I can tell the hon. gentleman that the most urgent consideration is being given to that brief and to certain briefs from other organizations in addition to the S.I.U. As soon as there is anything that might be described as policy to be indicated to the house, it will be communicated in the appropriate way.

Mr. Bell: Can we be assured that a full statement will be made in the house on the matter, and that the minister does not plan to use the C.B.C.?

Mr. Pickersgill: I should not like to feel I was precluded from satisfying the curiosity of hon. gentlemen in response to questions.

HARBOURS

QUEBEC—REPORTED COMPLAINTS OF MANAGEMENT PERSONNEL

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I wish to direct a very important and urgent question to the Minister of Transport. Does the minister intend to make an inquiry following grievances drawn to his attention concerning the injustice that seems to prevail in Quebec harbour, among the officials, in order to do justice to those who are thus injured?

[*Text*]

Mr. Speaker: It seems to me that this question, although very important, should be on the order paper.

[*Translation*]

Mr. Plourde: Mr. Speaker, I want to discuss this question at ten o'clock.

[*Text*]

SUPPLY

The house resumed, from Monday, May 4, consideration of the motion of Mr. McIlraith for committee of supply, and the amendment thereto of Mr. Dinsdale, and the amendment to the amendment of Mr. Grégoire.

FAILURE TO DEVELOP CANADIAN WATER RESOURCES

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, last evening when the gong sounded I had described the amendment moved by the hon. member for Brandon-Souris as a partisan attempt to hold the present government accountable for the consequences of a water policy which has been pursued since confederation. I had analysed parts of that amendment dealing with low water levels, increasing pollution and the necessity for conserving water. In the time that remains to me this afternoon I should like to deal with that part of the amendment criticizing the government for failing to establish what is called a co-ordinated national water policy.

I should like to point out to the house that there are grave constitutional limitations attached to that amendment, and that no federal government could be held wholly accountable since it would not have the constitutional power to prosecute a co-ordinated national water policy. Within those terms, I am sure the hon. member for Brandon-Souris must have been aware that the amendment could not withstand constitutional scrutiny. The amendment condemns the government for failing, as I said, to establish a co-ordinated national water policy, and this clearly assumes that the federal government has the constitutional power to establish such a co-ordinated policy.

Surely, Mr. Speaker, it would be ridiculous to criticize the federal government for failing to do something it did not have the legal power to do. Surely it would be rather frivolous to criticize the federal government for failing to do something it does not have the legal power to do, and failing to fulfil

the proposals in the amendment. I say, therefore, the mover of the amendment completely ignores the constitutional position. The fact is that apart from specific federal powers in relation to navigation, and other limited areas, the water resources belong to the provinces and come under provincial jurisdiction. In that event the amendment has no constitutional footing feet.

The question was very thoroughly dealt with by the resources for tomorrow conference which the hon. member for Brandon-Souris mentioned in his opening address. Professor Bora Laskin, professor of law at the University of Toronto, had this to say about the water supply of the country at the resources for tomorrow conference, as recorded at page 215 of volume I of the conference papers:

> It is a safe generalization that the regulation and distribution of water resources in a province for domestic consumption or industrial purposes are within exclusive provincial competence. While some qualification has to be made, as for example, in respect of public rights of navigation or in respect of interference with federal property or competent federal law, it yet remains true that appropriation of water for private use is subject to definition by provincial law.

The constitutional position, of course, does not mean that the federal government has no responsibility and can do nothing. Clearly it must be part of its general responsibility for the welfare of Canadians to take an interest in policy and measures with respect to water, and to assist in its conservation and wise use. Much has been done over the years by the federal government, and by the federal government and provincial governments in co-operation, and I trust I dealt with this aspect in some degree last night.

But what the federal government cannot do is precisely what this amendment implies it should do; that is, exercise federal jurisdiction over a co-ordinated national water policy. In my submission, Mr. Speaker, that is beyond the jurisdiction of any federal government. But a federal government can try, as the present administration is doing to encourage provincial co-operation and concert action by and with the provinces.

Last evening I described the measures this government has taken—

Mr. Nielsen: Would the hon. member permit a question?

Mr. Turner: I have not much time. I am limited to ten minutes this afternoon, but if I have time at the end I will be glad to see to the hon. member's question.

What the present administration has done is to encourage a co-ordinated national water policy, but in co-operation with the provinces under the Canadian council of resource ministers. Recently the Prime Minister announced the establishment of a provincial relations secretariat to improve co-operation with the provinces, and in our federal system the manner of approach must be by co-operation with the provinces which have the constitutional jurisdiction over water.

That being so I think we can say the present administration recognizes, as the author of the Royal Bank of Canada monthly letter of December 1963, in an article entitled "Saving Our Watersheds" says:

> Water is so important in life that its conservation and distribution must override the geographical boundaries of private property, counties and provinces; the political boundaries of federal and provincial jurisdictions, and the economic domains of agriculture, forestry and industry. If jurisdictional disputes prevent effective action, our heritage will be lost by default, because above all boundaries is the supreme natural law whose edicts are indisputable.

That is so, but we have a constitutional limitation which the hon. member for Brandon-Souris has failed to recognize. In answer to that I would make reference to the arguments that I attempted to bring before the house last evening, that over the last 12 months this administration has used the only consultative constitutional avenue it could. It has brought water control, use, distribution and sewerage before the Canadian council of resource ministers where, in conjunction with the provinces and the regional authorities, this government intends to fulfil its responsibilities within the limitation of the jurisdiction given to it by the British North America Act.

Mr. Nielsen: Since the hon. member has a minute left, would he permit a question? Does he think it is unconstitutional to set up a national advisory committee comprised of representatives from all the provinces and federal representatives, in the same way as federal-provincial conferences are established?

Mr. Turner: Any national advisory committee that is set up in conjunction with the provinces is constitutional, but what this amendment is attempting to do is condemn this government for neglecting to establish a co-ordinated national water policy, thus implying that it is solely responsible for that policy.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I would like to offer congratulations to the hon. member for Brandon-Souris for bringing the very important question of water conservation to the attention of the house; also to the hon. member for Parry Sound-Muskoka for pointing out the great problem we have, and also to the hon. member for Burnaby-Coquitlam, who dealt with the problem and gave the previous government credit

for building the Saskatchewan dam, for the resources for tomorrow conference and for ARDA. One of the things he omitted to mention was the help it gave for the building of sewage disposal plants across Canada.

The hon. member for St. Lawrence-St. George raised the constitutional issue as an excuse for not doing anything. This put me in mind of what Nero did many years ago, when he fiddled while Rome burned. We in Canada have been slow in recognizing that water is one of our great natural resources, that men cannot live without it and that industry and the economy of the country cannot advance without it. In the great lakes area we have many tourist operators who will suffer severe financial losses as a result of the low water levels in the great lakes. Motel and hotel operators all around this area will lose millions of dollars in business because of the low levels, and many of them will be forced completely out of business.

For months hon. members of the house have been drawing this to the attention of the government but there has been little or no realization on its part that it interprets the facts as they exist; or, if there was a realization, it did not know how to meet the problem. We pride ourselves on having half of the available fresh water in the world right here in Canada. We feel it is inexhaustible, but when shortages occur all we do is pray for rain or else wait for the cyclical periods that bring it back up.

I remember it was said that the six or seven year cycle would correct the present situation. Well, the seven year cycle has ended and the situation has not been corrected. In fact none of the cycles will completely correct this problem of low water levels in my riding. The quantity of water in the world remains the same, and we must not forget that fact. It is when the quantity is out of balance that we have problems, and today we have those problems on the great lakes.

Average annual rainfall in the lake Huron-Georgian bay area ranges between 30 inches and 35 inches, but if you take the figures that were given in the house yesterday and add them up, you find that the average rainfall in that area over the last 12 years was 31 inches, and in the same period of time the high water mark has fallen six feet from the average.

This would indicate that precipitation has only a minor effect. It has been said "Leave it alone. It will right itself. It is a gradual process". Well, this gradual process is going to spell financial ruin for many of the operators in our tourist industry, and a lot of them have every penny they own invested in this business, a business which in the long run brings many millions of dollars to this country. It is, I believe, the third biggest industry we have.

We have been told "Just wait for seven years and it will be all right". Those years have come and gone. I want to read a comment made by Mr. James Lamb, the publisher of a paper in my area. He is well acquainted with the great lakes. This article was reprinted in the Toronto daily *Star* of May 1, 1964. Mr. Lamb had this to say:

> While the great lakes run steadily down the drain, with long established ports now high and dry and Georgian bay down four feet from normal, there is not a man, or a group of men, in Canada or the United States, who has any real idea of cause or cure.
>
> For the shocking truth is that each of the regional developments which has affected the levels of the system has been considered separately, with lake and river problems being attacked piecemeal, rather than in one over-all program.

This, from the same article, is also striking:

> One of Canada's best qualified experts on waterway development admitted to a private gathering last year that neither he nor any other engineer or official had any conception of the ultimate effect on lake levels of such revolutionary undertakings as the construction of the St. Lawrence seaway, with its enormous alterations in the flow and depth of the river; of the huge additional diversions at Niagara and Chicago; of the deepening of the channel at Sarnia.

The writer goes on to say:

> If this is so, then surely it is time the two federal governments concerned—

The United States government and the Canadian government.

> —instituted an over-all lake control system, and took steps to conserve what water is left before lake Huron is reduced to a fraction of its former size, and the lower lakes bereft of half their ports.

For years now official reaction to public complaints about the alarming drop in lake levels has been to place the blame on dwindling rainfall. I have shown that the amount of precipitation is a minor factor having regard to the situation as we know it. Let us face a few facts. More water is being used by householders. A man said to me the other day, in our house "A few years back we used four to six pails of water a day; now, to get breakfast over and everybody up and washed, we use more than that". Today the average person in many of the cities of Ontario uses 100 gallons a day, a striking figure. Industry uses tons of water today whereas a few years back it was using gallons by comparison.

The second point I wish to make is this. We are not conserving the run-off from our lakes and rivers. The obvious conclusion is that dams must be built, because the experts say there is enough overflow from the St. Lawrence run-off to look after all the water needs

of householders of the rest of Canada for a whole year. If that is true, it follows that the run-off into the lakes and rivers flowing into the great lakes basin is very important and that we must consider what can be done in this respect, in conjunction, of course, with the provinces. However, the great lakes are run by the Department of Transport. They are responsible, and this government is responsible. When this matter was brought to the attention of the government last fall they should have moved quickly to call a conference and clear the way for action of some kind.

The question of water conservation is being approached from other directions. The province of Ontario has recognized the existence of this problem and will allow to farmers 50 per cent of all expenses incurred in the construction of ponds. The previous government recognized the problem when we established a reforestation program under ARDA. This program will give us big sponges of reforestation and ponds to hold the water in many of these areas. Then of course there is the Chicago diversion, which takes about 2 per cent of the water out of the great lakes.

The fifth point I wish to make is that we already have a control on lake Superior; we have a dam. On the other hand, we have no control on lake Huron and Georgian bay. In addition, the area around Sarnia had to be dredged in connection with the building of the St. Lawrence seaway.

The hon. member for St. Lawrence-St. George put some figures on the record in this debate regarding slower flow. I want to say this. The river St. Clair is flowing faster than ever. When this channel was lowered by six feet the official pronouncement was that the effect would be negligible. Just how this can be reconciled with the actual increase in outflow from 160,000 cubic feet per second to 185,000 cubic feet per second has not been explained. That completely repudiates the arguments put forward by the hon. member for St. Lawrence-St. George.

I wish to dwell for a minute on this increased output of the river St. Clair, taken in conjunction with the fall of six feet in the level of the great lakes in the Georgian bay area. If we are to control lake Superior we must have some control on lake Huron. I think this is definitely indicated when the outflow is 25,000 cubic feet per second more than it was prior to the dredging and deepening of the St. Clair river. It follows that this government must get busy at once, in conjunction with the government of the United States and the international joint commission, to find a solution to this problem and a means of lessening the immediate difficulties. This should be done, too, in co-operation with those people in Michigan and elsewhere who are vitally concerned.

The government already has the machinery to use if it wishes to get to work on damming the lakes and rivers which flow into this area. I am most concerned about this matter. I am wondering what responsibility the government must accept for the position in which these marine operators, hotel operators and others on the great lakes find themselves. These people have invested thousands and thousands of dollars from their savings. Many of them have mortgages and they are likely to lose their property in this great catastrophe.

I am wondering whether the government has not some responsibility to those people for the losses which will be incurred. I am not saying that the government should subsidize or should look after all of those people, but I am saying that many of these young operators, on the strength of making Canada one of the great tourist centres of the world, have invested their all, but they find their docks are today six to seven feet out of water. Although they were erected to be of proper height at high water level they are today standing stark naked six to seven feet above water level. You would find, Mr. Speaker, that some of the channels in that area cannot be traversed by boat and tourist places are completely isolated. It does not seem fair to me that we should expect those people to accept the responsibility for this disaster in its entirety, and I hope the government will give serious consideration to providing some form of assistance to these people who, as I say, may lose their all.

Some of the papers in the area, including the Midland *Free Press* and the Angus *Times*, have pointed to the distress which is going to be caused in this connection. I know that the government is going to dredge all the harbours and is going to dredge the harbour at Midland and Port McNicoll and Collingwood. But in the meantime, although ships are carrying lighter loads they are getting bogged down. These boats have to be pulled off mudbanks and so on, and this is costing the economy a great deal of money. Therefore I would appeal to the government to stop this laissez faire attitude which is prevalent today, and get busy and do something for these people, because over their property today rests the pall of loss. We in the house may regard such matters as affecting only one part of Canada, but I suggest that this goes deeper and affects the prairies and the whole economy of Canada. Instead of talking about cycles and other matters it is high time the government did some sound thinking, set up some machinery, put it to work, and

considered the problems and financial losses of the people who live in those areas.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, when my predecessor moved his amendment yesterday I think he took a great many people by surprise. Indeed, I am of the opinion that he took a great many members of his own party by surprise, judging by the participation of hon. members on the other side of the house in this debate. I was certainly taken by surprise. I wanted at once to thank the hon. member for Burnaby-Coquitlam (Mr. Douglas) for his generous statement that he "cannot hold it against this new government and the new minister in his first year". I wanted to thank him for that statement, but I hope to be able to prove in the few minutes I am going to take today that we do not need his generosity. Because I think I will be able to point out that we have undertaken a larger number of measures in regard to the full use of Canadian resources in this past year than were ever undertaken for quite a few years prior hereto; and some of the measures we have taken have been relatively successful.

The very splendid speech made by the hon. member for St. Lawrence-St. George (Mr. Turner) was, I think, quite encompassing in that he pointed out the limitations, the very real limitations, which exist in this particular field. I am sure my hon. friend from Burnaby-Coquitlam, among others, is aware of them because at one time he was the head of a provincial government. In the field of resources our provinces are extremely jealous, and of course understandably so, because they derive their revenues from the resources which have been developed within their boundaries. We are now in a position where, to the great advantage of the nation, and I would think, in the end, to the great advantage of each individual province, we are trying to establish a mutuality of interest which does not know provincial boundary lines.

In that respect I think that one of the better jobs which we did last year was as a result of a metting which was held in Regina, which I attended together with a number of members from both sides of this house. We received, I think, a good education apart from having an interesting time. We had been invited there by the premier of Saskatchewan to meet resource representatives not only from Saskatchewan but Alberta and Manitoba as well. Out of that meeting an advisory committee was set up which has since held no less than five meetings. The political end delegated its responsibility to the technical men in the various departments. This is all leading to a request which will be made of this government for a very considerable study of the possibility of bending some of these northern rivers into the Saskatchewan system and of diverting some of the waters which today seem to flow uselessly into the Arctic across the prairies where they will be of more value.

Canada is a fortunate country with respect to water in that 7 per cent of its total land mass is covered by water. Of the tremendous amount of water which is annually drawn up by the sun from the ocean and dumped on Canada no less than 8,000 billion tons of it is dumped on the land in the form of rain or snow. Therefore we in Canada are exceedingly fortunate, as I say, in our water resources; our job now is to redirect these resources before they return to the ocean. This involves a tremendous job for the future but we are making a move in that direction.

Certain hon. members on the other side of the house, particularly those down in the corner, have for years been asking about water pollution. We have written a letter to the resource ministers suggesting that the question of the pollution of our waters should be one of the first subjects to be dealt with at the plenary conference of resource ministers when they meet in Charlottetown. This suggestion has been agreed to. We have received affirmative replies from five or six provinces, only the province of Nova Scotia being of the opinion that this is a matter of provincial rather than federal-provincial jurisdiction.

We are also moving in the direction of a very complicated, extended and what will be a very expensive study of the resources of the Nelson river in the province of Manitoba. This study is designed primarily to assist the ultimate development of power, in which more than the province of Manitoba is interested, quite apart from the interest of the government of Canada. This study will be extremely extended and, as I say, very expensive. This is evidence of co-operation with the provinces to develop to the best advantage their resources, to the benefit not alone of the individual province concerned but of the nation as a whole. For example, where rivers cross provincial boundaries it is quite possible for one of the provinces concerned to take action within its provincial borders which would prove extremely harmful, if not disastrous, to its neighbour. There is an increasing appreciation of that situation at the present time and we find the provinces are discussing this matter more and more with one another.

I indicated to the ministers concerned, as recently as January 8 last, the need for the expenditure by us of a great deal more

money in studying the water resources of Canada. Perhaps, Mr. Speaker, I may be permitted to quote one paragraph from that letter, which was sent to all the resource ministers of the provinces:

> Recognizing the accelerating needs for water data to enable the responsible agencies to plan for efficient use of our water resources, the government of Canada has agreed to an intensified five year program of expansion and improvement of surface water and sediment survey data collection and analysis facilities by the water resources branch of this department. It is my hope that under this program and through the existing co-operative arrangements with the provinces, we can at least double the existing coverage in the next five years, as well as improve present installations.

We have received replies from the ministers concerned, I think in every instance offering their greatest co-operation.

Mr. Winkler: Mr. Speaker, may I ask the minister if he will table a copy of that letter?

Mr. Laing: With permission, Mr. Speaker, I would be very happy to table a copy of the whole letter.

Mr. Winkler: Would it be possible to have the replies as well? I would like to see the letter tabled, and are the replies available also?

Mr. Laing: I have not the replies here, Mr. Speaker. I think they might best be secured by placing a question on the order paper.

Mr. Douglas: That would have to be done with the consent of the ministers involved.

Mr. Laing: We are faced today with an amendment—

Mr. Deputy Speaker: Order. Is it agreed that the hon. minister has leave to table the letter in question?

Some hon. Members: Agreed.

Mr. Laing: Mr. Speaker, we are faced today with a motion which condemns us for our inactivity. I wish to tell the house that we are not inactive, but this particular branch has been extremely active in the last year. In addition it is suggested we are negligent because we have failed to establish a national advisory committee. The hon. member for St. Lawrence-St. George (Mr. Turner) pointed out some of the difficulties in this regard. We will have it as time goes on, and I would say that we will have it through the means we are attempting to effect at the present time; that is, by working with the provinces and encouraging their support and co-operation. But the condemnation is that we had not established a national advisory committee.

Reference was made by the hon. member for Brandon-Souris (Mr. Dinsdale) to the proposal made by the present Leader of the Opposition (Mr. Diefenbaker) on October 23, 1961, in which he declared that such a committee should be established. I merely want to point out that the government of that day remained in power for some 18 months thereafter and did not establish such an advisory committee. The difficulties are apparent. However, with the establishment of the secretariat to the resource ministers conference now operating out of Montreal we will be able to achieve the same type of co-operation with the various provinces and, in the end, the same objectives that might be achieved by suddenly setting up a national advisory committee in respect of these matters.

I want to say something in particular about the great lakes system, to which so much time was devoted by the hon. member for Simcoe East (Mr. Rynard). I am fully aware of the deep concern in this respect and of the consequences of a cycle of weather which again is becoming apparent to this region. I say it is a cycle of weather because I had gone back to February 28, 1956, when these remarks were made in the house by Mr. Murphy, the then member for Lambton West:

> I was not concerned about the effects of the St. Lawrence seaway project on the great lakes levels...My concern was about the damage to property from high water levels even at the present moment.

That was in the days when members of parliament were rising in the house and saying that the government had to do something, had to make some release of water somewhere and get the water down the St. Lawrence river because of the damage being caused in the lakes by high water. This is a situation that has been evident to those who have been keeping records over a great number of years. We do have times of heavier precipitation, with resultant damage from floods. I want to tell the house, Mr. Speaker, that the situation in respect of the great lakes system is a very, very complex one; indeed, it has been declared to be the most complex system in the world.

Mr. Rynard: Mr. Speaker, would the hon. minister permit a question? I do not know the answer with regard to this cycle business he is talking about, but would the building of dams and controls control the cycle?

Mr. Laing: Mr. Speaker, I thank the hon. member for his question but I have to tell him that in a circumstance such as we are suffering from it is necessary to impose as little loss as possible on each person. The tendency is to reduce water here, to effect a little damage to shipping, shall we say, in one instance and yet do as little damage as possible. In other words, it is spread all around. This is a situation with which we in British Columbia are familiar. In 1958 I watched the

water rise to within six inches of the dike tops at Creston. Creston had been flooded once before. That particular year we saved the Creston dikes, but the Americans lost out down below. There was another occasion on which we and the Americans down below were co-operating to try and save both. We saved theirs but we lost the dikes in Creston. It seems to me this is a case of making the maximum use of water for all purposes and bringing to bear as little damage on individuals as possible.

I have been accused of being flippant because on one occasion I said that prayer might help. I still think it might help. I want to say that at the present time we have a most abnormal situation in British Columbia. I do not want to be an alarmist, but those of us who are members from the province of British Columbia will admit right now that in the next few weeks we are going to go through very trying times in that province. This will not be for want of moisture, some of which I would have hoped we could make available elsewhere, but because the other day, not in northern British Columbia but on the coast in central British Columbia, I flew over an area that is carrying 75 feet of snow; and in parts of the Columbia watershed today—I visited the area some six weeks ago—there are places in which the snowfall has been recorded as being 40 per cent above that of last year. We are hopeful that we can get by, and I think possibly we will; but we have had cool nights lately. This is a situation over which we have as yet, as is the case with most governments of the world, no control. There may be scientific weather controls in later years, but we do not have them yet.

The great lakes is a particular case in point, because the area of drainage into the great lakes is only 201,000 square miles, whereas the great lakes themselves cover 95,000 square miles. Here again the difficulty that occurs is that there is a different ratio of drainage area in the case of each of the lakes. In the case of lake Superior it has a drainage area of only 48,000 square miles for 31,000 square miles of lake. In the case of lake Michigan it has 95,000 square miles of drainage area against 45,000 or about two to one. In lake Erie it is 30 to 10 and in lake Ontario there are 27,000 square miles of drainage area for only 7,500 square miles of lake. So that in this complex pattern with these enormous variations even the arranged feeding of water would be most difficult, costly and time consuming in that you might have to start the water 18 months ahead of the time it would flow out the other end of the lakes. These are complicating factors of the great lakes system.

[Mr. Laing.]

We are fully aware of the consequences of the present situation. We have been keeping in communication with the Americans on all these points and any of those man-made things to improve the situation which are possible at this time will be done by us from time to time in full co-operation with the Americans.

Again I want to say that in these circumstances the total accomplishments of man, compared with nature's count for very little at all. Those members of the house who are familiar with the situation will agree with me, I think, on the figures I am about to quote in respect of wheat production in the province of Saskatchewan. Last year, under ideal circumstances both in respect of volume and quality, the province of Saskatchewan produced 493 million bushels of wheat. I think it is also absolutely accurate that in the year 1938 the province of Saskatchewan produced 29 million bushels of wheat. It was not because the soil was poorer then than it is now. New methods of soil culture are being used and I rather think that members from Saskatchewan will confirm the fact that there was more fertility in the soil then than there is now. But what was lacking, of course, was water.

We are subject to these circumstances and must do the best we can with them. We have made very good progress in a great number of fields in dealing with the provinces. We are budgeting for over $2 million more for the water resources branch alone this year than the year before, but I must be fair and point out that about $1,300,000 of that amount represents additional sums of money paid in respect of the Winnipeg floodway over those spent the year before. But we are spending more money. We are taking on more staff, and we have been very successful in working more closely with the provinces on the matter of resources that lie within their own boundaries.

Mr. Martineau: I should like to ask the minister a question. Would he be prepared to recommend to the government that feasibility surveys be carried out immediately in regard to the diversion of the Hudson bay watershed or parts of it into the great lakes system?

Mr. Laing: Mr. Speaker, in that regard the waters concerned which flow westerly into James bay from Quebec are the property, of course, of the province of Quebec. We are aware only in the roughest detail of the proposal to which the hon. member has referred, known as the grand canal scheme, and I do not know that any economic studies have been worked out in that regard yet. But we will hear more and more of these things.

But I think one of the better things I could do would be to endeavour to refer the whole matter we are concerned with at the present time to the standing committee on mines, forests and waters, not so much from the point of view of bringing out more information, although undoubtedly a number of briefs would be presented that would be extremely valuable, but rather to provide the public with an understanding and appreciation of the problems that we have in various parts of Canada and, probably more important, the tremendous asset we have in the great over-all supply of water that we in this nation possess.

Mr. Thomas: Can the minister advise the house whether or not the entrance to the St. Clair river has been deepened in recent years?

Mr. Laing: No, Mr. Speaker, I have no knowledge of that. I could obtain the information for the hon. gentleman, of course.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise for the purpose of discussing particularly the subamendment, and then I will make some references to the speech of the Minister of Northern Affairs and National Resources (Mr. Laing) which in my opinion represented a completely negative and defeatist attitude on the part of the government. Because of the fact that there is a subamendment I wish to read the amendment moved by the hon. member for Brandon-Souris (Mr. Dinsdale).

> This house condemns the neglect of the government in failing to establish a co-ordinated national water policy and in ignoring the imminent national crisis in water resources management, which is evidenced by the critical low water levels of the great lakes and other national waters, the increasing pollution of national waters, and the urgent necessity of conserving water resources...
>
> And urges the government, in the interests of national development, to take immediate action...:
>
> (1) establishing a national advisory committee on water resources...
>
> (2) accelerating the application of ARDA policies to the problems of national resource development, and,
>
> (3) vigorously continuing and expanding the water and other resource development programs conceived and established by the previous Conservative government.

The subamendment moved by the hon. member for Lapointe (Mr. Grégoire) simply removes from the amendment moved for the official opposition most of the effective terms thereof. It entirely ignores the national crisis in water resources management. It entirely obliterates the necessity for the establishment of a national advisory committee on resources. Indeed, it emasculates the amendment and substitutes therefor one matter:

> That in the best interests of national development, the house urges the government to take concrete steps immediately to accelerate the application of ARDA.

We can concur entirely with the particular item in the subamendment and its objective, but if we were to vote for it we would be removing the major portions of our amendment and, indeed, would defeat the purpose for which our amendment was moved. As far as ARDA is concerned, which was established under a Conservative government, it is one of the most forward, one of the most effective programs ever enunciated in legislative form in the history of our country. It was entirely in keeping with the general attitude of the Conservative party, whose basic principle is to conserve these things that are good.

The Bennett government brought into effect the Prairie Farm Rehabilitation Act which, in my province of Saskatchewan and the adjoining prairie provinces, brought about advances that were not even thought possible. The minister referred to wheat productivity in Saskatchewan in 1938. I recall the days of the dust bowl, the frightfulness of which cannot be translated into terms understandable today. Out of the experience of that drought era from 1929 or 1930 to the latter part of the thirties, there was born the Prairie Farm Rehabilitation Act, and through P.F.R.A., changes and improvements have been made.

There is no doubt at all that if we were to accept the subamendment we would defeat the purpose for which the amendment was moved. Since the subamendment does remove the major portion of the material part of the amendment moved by the hon. member for Brandon-Souris (Mr. Dinsdale), we cannot support the subamendment moved by the hon. member for Lapointe (Mr. Grégoire). We think that in the best interest of national development the government should take concrete steps immediately to accelerate the application of ARDA. We believe that this government has dragged its feet on the ARDA program. Indeed, as one reads the evidence that was taken before the committee of the Senate on land use in Canada, one cannot but conclude that there has been a total lack of initiative and effort on the part of this government in carrying out the basic principles of ARDA.

This plan was a great step forward for soil and water conservation, and it has been left practically unimplemented, except in a comparatively minor degree. I am not going into the particulars in this regard, but they are set forth in the No. 2 report of the committee to which I referred a moment ago. Incidentally when so much is said by way of criticism of the other place, the work done by the committee under the chairmanship of Hon. Arthur Pearson and the deputy chairmanship of Hon.

Austin Taylor, has been worthy and commendable indeed. The information assembled by the committee, if used by the present government, could extend beyond one's imagination the benefits of ARDA, were that the desire of the government. When I look at what has happened on the western prairies I think of the words of Jeremiah when he said:

> And I brought you into a plentiful country, to eat the fruit and the goodness thereof; but when ye entered ye defiled my land, and made mine heritage an abomination.

This applies to what we have done. We have been wasteful and destructive of the great resources we have in our country. In the years ahead, 30 or 40 years from now, water will be more valuable to Canada if we maintain its purity than many of our other resources. I believe it was a great United States political philosopher who said that within 50 years water will be a more valuable resource than oil itself.

The minister always speaks delightfully and in the best debating traditions of parliament. I enjoy listening to him. However, at the conclusion of his remarks today I could not but conclude he realized he did not have any case, and therefore he had to speak in that kindly way that always characterizes him when he realizes he has a difficult, if not impossible, task.

Mr. Laing: Others shout loud.

Mr. Diefenbaker: Yes, and the minister never shouts because he has nothing to shout about. I am glad he interrupted because he speaks with power and authority when he really has something to say. Today, he spoke with that deftness that comes about when he finds it necessary to adopt a conciliatory attitude to the house.

This problem has not come about recently. There was a warning issued by the *Family Herald* on July 4, 1963, and I should like to quote:

> Canada faces a serious water shortage. It's threatening the health and pocketbooks of a large part of our population right now and before long it's likely to affect us all in many ways. Within the life time of many readers not only the drier sections of the west but most of Canada will feel the pinch. A big, well-directed conservation and development program, launched right now, could keep a lot of people from being hurt. But any delay will increase the needs and lessen the effectiveness of control measures. Immediate action is urgently required.

This warning came from a responsible magazine, one that has served Canada well for many years. Then, it says:

> Although it can be argued that we faced unusually bad weather conditions this year, the fact remains that we are still grappling with a problem which has been created by our expanding population, the rapid advance of industry and agriculture, and modernization of life in the cities and towns and on the farm.

This is a serious and a difficult problem. Mention was made in a most able speech the other day by the hon. member for Brandon-Souris of the action taken by the government of which I had the honour to be the head. We founded the resources for tomorrow conference. It was founded on full co-operation between the dominion and provincial governments. We did not do our consultation in reverse. We did not wait until we found we had entered a field of provincial jurisdiction and then, in a spirit of frustration, have to back up and commence consultations. We brought about a degree of co-operation with all the provinces of Canada that promised well for the future of these resources, which come primarily under provincial jurisdiction although actually have a tremendous effect on the national economy.

One of the most striking statements made by any of the visitors to our country was made to me by the then prime minister of Israel, David Ben Gurion some years ago. His general statement might be summarized in this way: You have a great resource, a resource of particular value in your water, but how you waste it. We have done that. We have polluted our streams, and polluted streams are just as detrimental to Canada's economic future as would be a total absence of water. During the period we were in office we faced the problem of pollution by taking the first, the initial step towards giving assistance to municipalities to provide the necessary measures to meet the pollution problem.

These were steps forward. I do not say that a government can do everything in this regard or a group of governments operating together. But what has this government done? It simply sat, looked at the problem and failed to take any measure whatever of an effective nature. The spirit of resignation could not be better described than it was by the minister in early April—and I have not the quotation before me—when he said the answer to the lakes situation might be to pray for rain. There are many people across Canada today who are beginning to believe that prayer for a change of government might bring a changed attitude towards this problem.

The problem is a tremendous one. It is being faced in all parts of the world. Here in Canada, with the limitless resources we had and which we believed would last for all time, we now find that within a period of three or four decades our country will be a potential dust bowl unless governments act now.

I had hoped that the minister would give us a picture of what the government had in mind, but there was nothing of the kind.

There was simply uncertainty, simply a spirit that the problem is there—"but what can we do about it"? He said the provinces must be consulted, and so they must. In part it is an international problem, but the minister did not give one word concerning the government's plans to meet it. There was just the expression of a pious hope that possibly something will be brought about.

The minister said nothing to indicate that this matter was faced up to at the recent discussions between Canadian ministers and their counterparts in the United States, which were held here in Ottawa. He said nothing to indicate that even small projects are contemplated.

The province of Ontario has made a serious endeavour to meet the problem so far as it can, but it cannot meet a problem which has international and intranational difficulties that must be solved. There was not one word of hope in what the minister had to say.

Some countries are trying to meet this problem by desalinization of sea water. Must we in Canada follow that course? I hope not, but certainly there was nothing but hopelessness in what the minister said today. I saw something of this problem last fall when I was in the Middle East, where they are endeavouring to bring about a solution by breaking down sea water; but the costs are tremendous.

It is estimated that a $840 million nuclear plant could meet the water needs of 3 million to 6 million people. It is also estimated in our own country that within the next 20 years we will have to spend about $5 billions if we are to meet the problem of pollution and the wider problem of the preservation of our water resources. It is a challenge, one that is tremendous in scope. It needs a concept. But what is the concept of the government? After the minister had spoken for a while he finally concluded that to meet this problem, which was so frighteningly described by the hon. member for Simcoe East (Mr. Rynard), the hon. member for Parry Sound-Muskoka (Mr. Aiken) and the other hon. members who have spoken, the whole matter ought to be submitted to a committee of parliament so that briefs might be given thereon.

If the minister had presented some emergent program, something to meet the immediate problems, the larger and more extensive one that will take years to solve could possibly be postponed. But what is going to be done now? What is the situation in Chicago? Is the diversion that is taking place there extending beyond that which is permitted by international agreement? That is a matter upon which we have no information. What a spirit on the part of a government new in office and tired already, overwhelmed, and fearful. Its members say there is nothing they can do about it and that there are all kinds of constitutional difficulties. Surely there is somebody over there who will say there is some hope that something can be done. Unless there is emergent action taken now, the tremendous tourist traffic Canada enjoys, by reason of the action taken by the Conservative government in the devaluation of the dollar, will be lost and, once lost, not regained.

What of the people engaged in the tourist business? They are actually elevated into space, with their marinas up in the air—occupying a similar position to the government in this regard.

The minister went far afield. He went out to British Columbia. It is a wonderful place to go, a wonderful province; and he went out to the prairies. I say, let us get back to the problem that exists in Ontario and to a lesser degree in Quebec, the problem that is covered by this amendment.

There has never been a government shown so barren of ideas as this one in the address by the minister, assisted during the past two days by two others on the periphery of the cabinet. I ask the government, why are you opposed to the establishment of a national advisory committee to assist in co-ordinating national resource development? Why have you allowed ARDA to become almost a dead letter? A comparison was made by the Minister of Agriculture (Mr. Hays), but the figures he gives are meaningless in face of the great opportunities that ARDA provides. If ever a government stood convicted by its defender, that government sits opposite today, for the whole defence consisted of coming before parliament and saying, "Things are bad; they could be worse. They may be worse, but we have not a suggestion of an idea as to what should be done, either by way of emergent action now or for the future." That is not enough.

I am not dealing with the major problem of the future, though it is one that will have to be tackled. These rivers that flow into Hudson bay will have to be reversed and their waters brought into those portions of our country which need them, both because of their industries and their populations. These will be tremendous projects; but what is the hope today for the tourist operator on lake Huron? What hope is there for him in a government that simply points out this is a grave problem, but it has not a suggestion of an idea to deal with it, and that it has to get in touch with the provinces with regard to what could be done? What about co-operative action between the provinces and the dominion? We have not heard one word of what has been done to ensure that the great lakes shall not continue to get lower and lower.

All we have from the minister is the answer that some years ago the water levels were higher than usual, therefore the fact that they are lower today than they have ever been, and that the trend is downward, is something they have not had time to look into while looking into the other problems they have faced with equal determination and effectiveness. Surely there is someone sitting over there who will rise up and say: These are a few plans we have in mind. The hon. member for Brandon-Souris (Mr. Dinsdale), the hon. member for Parry Sound-Muskoka (Mr. Aiken), the hon. member for Simcoe East (Mr. Rynard) and others who spoke, placed the problem before the house and asked for action to be taken on behalf of their constituents.

Some people ask: Why do you move a vote of non-confidence on a matter such as this? Well, such votes as this are moved simply in pursuance of the rights of parliament. These votes of non-confidence have been moved throughout the years. Sometimes I read of ministers sitting opposite, together with some of those who are in the outer realms, looking generally to the opportunity to serve in the future in the higher ranks of cabinet posts and saying: Why these votes of non-confidence? I shall not go into that matter now, except to say this, that during the period when we were in office, with the opposition a comparative minority of the house, with one exception in five and a half years every one of the motions to go into supply had an amendment which constituted a vote of non-confidence. How are we to get this matter before the house if we do not follow this course? There is no opportunity to raise it on any other occasion and get the view of the government. We cannot obtain it through questions. Look at the order paper and see the number of questions which remain unanswered, many of them because they represent embarrassment to the government. We cannot bring this up in any other way. Bring it up as a private member's bill, and what happens? It comes, and it goes. Bring it in as a resolution and it is talked out after an hour and goes to the bottom of the list. There is only one way in which the opposition can declare its policies or call upon the government to act in an important matter facing the nation, and that is through the instrumentality of motions to go into supply.

Today, one of the reasons parliament is criticized is because it is said there are so many of these motions. Well, there are no more motions this year, or last year, than there were in every year when we were in office. The only difference is that we spread them out and people forgot about them, whereas this government brings them along week after week.

Mr. Laing: Could we get back to water?

Mr. Diefenbaker: I am glad of that interruption. The hon. gentleman was not thinking very much about that subject when he was talking about it. He did not at any time address himself to the amendment or attempt to deal with the problem. He simply threw up his hands in a spirit of resignation and indicated to the people of Ontario, of Quebec and of the rest of Canada: This is a tremendous problem and we have not an idea in the world as to what should be done; we have, to all intents and purposes, rendered ARDA nugatory, so what should we do but pray for rain? Laudable as is the recognition on the part of the minister of the power of prayer, we are dealing at the moment with a problem which the government of Canada cannot place on some supernatural level. We want it at this level.

What does the government intend to do? What lies ahead? I listened to the minister and the two other hon. gentlemen who spoke from that side. These were able young men; I like to hear young men going into parliament and making an effective contribution. Those two young men did the best they could, but what a brief they had—nothing to stand on, nothing to answer the amendment, excepting an unusual collection of bureaucratic generalizations brought together with a desire to befog the issue.

All I can say is that here is a problem which is emergent at the moment, a problem which will become national in the years ahead. What action does the government intend to take to meet this emergency? Not one scintilla of evidence has been advanced with respect to a single idea which the government may have on this subject, except to exercise an appeal for guidance from above. The people today are asking this government to give them guidance here and action now instead of this pusillanimous pursuit of uncertainty and evasion.

Mr. H. W. Herridge (Kootenay West): When I was listening to the minister delivering his oration and, later, when listening to the observations of the leader of the official opposition (Mr. Diefenbaker) I could not help thinking of the story of the old countryman who, when he was asked by a friend if he could read, said: "Well, to tell the truth, I can and I can't". His friend asked: "What do you mean?". "Well," he says, "I tell you. When I sees a sign on the road going somewhere I can read how far, but I can't tell

where to". I thought of that when I was listening to the observations of those hon. gentlemen.

I was impressed by one thing about the speech made by the Leader of the Opposition; I can go away convinced, and tell everyone, that he has a full knowledge of the value of pure water. As far as the minister is concerned—and I listened carefully to what he said—I think he laid greater emphasis on the necessity for prayer than on the need for government policy in this respect, and I support the criticism made by the Leader of the Opposition in this regard. I would judge, from the hon. gentleman's speech this afternoon and from other speeches he has made—and I know he is a person with the best of intentions—that he depends on meetings and press relations without conclusions. He depends on the studies by his officials and by his staff in the water resources branch, without sufficient funds to undertake adequate research. That is a general criticism of his branch. I do not blame the individuals concerned. They can use slide rules and make calculations as well as anyone else. But the water resources branch lacks the funds, lacks the staff, and lacks the support of government policy, plus an over-all plan in co-operation with the provinces, to enable it to do really effective work. I think this is basically the reason we have made so little progress in introducing these programs in Canada as compared with what has been done in the United States.

This is a question which, I think should be treated from a non-partisan point of view and I intend to take my usual position in that regard.

Now I wish to deal with the amendment, Mr. Speaker, which starts out to condemn the government and then concludes as follows:

(3) vigorously continuing and expanding the water and other resources development programs conceived and established by the previous Conservative government.

I do not like that partisan approach to this particular problem. We condemn the government for their activity rather than their inactivity in some respects, but I will come to that later.

Then I come to the subamendment, which is based on the belief of the party supporting it that the question of the development of water resources is a provincial responsibility and is a matter only of provincial concern. We cannot agree with that contention. While we give every support to the ARDA policy and give the former government credit for its introduction, let me truthfully say—I do not want to appear self-righteous because that is not a habit of the members of this party—that we are the only ones who have had a consistent policy regarding the development and conservation throughout the years of our natural resources, our outlook being based on the over-all philosophy of life with regard to human beings, not on political expediency or the ebb and flow of political tides.

I am rather pleased to see that we have had some influence on the members of the official opposition in view of the fact that the major content of their amendment follows along the lines we have been developing for many years. On behalf of this party, for a period of over ten years I have moved this following motion:

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.

In moving this motion, we in this party recognized the need for an over-all approach to the problem, as well as the need for co-operation between federal and provincial governments. This includes the necessity for a policy which is based on research information and co-operation. For years this motion has been embraced with great affection by members on the government side of the house, without regard to which party they belonged, but the motion was always finally talked out. However, I will give the minister's parliamentary secretary credit in that the last time this motion was debated he agreed that the motion would be referred to the ministers council which was formed after the conference on resources for tomorrow, and I hope those ministers will give some consideration to this aspect of our water resources problem in Canada.

I think it is correct to say that all through the history of Canada, to date, governments on the whole have shown a shocking neglect of the establishment of policies to meet this growing problem effectively. This opinion has been placed on the record repeatedly and I am not going to labour it at this point. However, I should like to congratulate the hon. member for Medicine Hat (Mr. Olson) who made some quite appropriate remarks yesterday on this topic. He dealt with the seriousness of the question, and then as reported at page 2906 of *Hansard* went on to say this:

Getting back to the question of water, Mr. Speaker, and the preservation and conservation of our water resources, I think it is well for us to consider the position of Canada today in relation to the water resources that we have, and also to

rely on some of the experiences other nations have had, so that we can in fact look into the future and develop programs which will help Canada to avoid these other problems.

I could go on and refer to the figures he quoted regarding the value placed on water in the United States, but I hope that when the hon. member comes to consider other important water problems facing Canada at the present time, including treaties and legislation, he will remember these words and think of the experiences of other nations whose interests were not protected at the time certain arrangements were entered into.

We all know, Mr. Speaker, the basic importance of water for human existence. Quite recently Sir H. Broadley of the United Nations said at a London University lecture:

There is the problem of water supplies; just imagine what quantities of water would be required if all the world adopted our domestic habit of bathing, and at the same time developed factories, atomic energy plants and all other increasing ways for which water is used in great quantities.

In that respect I think the members of this house would be well advised to use their imaginations.

This subject is not a colourful one. It is an important subject but it does not get recognized by the press as one which is, shall I say, colourful enough to justify making a long report about it. There are a small number of the members of our press gallery who are interested in this problem and report faithfully in a few of our newspapers the debates on this important question. I am glad to say that one of these is a young and delightful member of the press gallery, and I hope she makes a very good report of my speech this afternoon.

We have been talking of water in terms of power; but when we think of human existence and human happiness we think of water first of all from the point of view of its domestic use and its consumption by human beings. Second, we think of its recreational values for the enjoyment of human beings; we think of those pleasures that can refresh a man to a far greater extent than attendance at a beer parlour on most occasions, or at a movie show. Then there is the development of fish life and that sort of thing. Next comes industrial uses upon which are based industries from which people earn their livings. Then there is navigation, which is followed by irrigation, the flowing of water on to the soil to produce larger crops which are required to feed the increasing population of the world. Finally there is power production. Over the years we have been able to develop power by various means; but we have never yet discovered a way of producing fresh water in large quantities at economical cost.

[Mr. Herridge.]

The pollution of our streams, the lowering of water levels in the lakes and the lowering of our water tables generally throughout the land, as well as floods in many places and, I am sorry to say—I hope I am forgiven for mentioning this fact—the existence of treaties like the Columbia river treaty, all indicate the great need for a national policy with regard to the conservation and development of our water resources. To indicate the concern in my own district perhaps I might mention a matter which has been of interest to numerous groups throughout the years. I remember when I first came to the house in 1946 receiving letters from Legions in Medicine Hat, Alberta, from the Medicine Hat trades and labour council, from the municipal district of Bow Island and from the water conservation committee of Medicine Hat and Lethbridge, the content of which dealt with the necessity for a water policy and with the great need for canals and the conservation of water to service the thirsty land of Alberta.

This was in 1946. How far have we got along this course? Then we come again to 1949. I remember that the agricultural institute of Canada, of which I have the honour to be a chartered and a life member, presented resolutions to the minister of agriculture of that day urging a similar policy; the need for a national policy for the conservation of our land and water resources. There was a great deal said at that time, but we have not any national policy for the conservation of our water resources today; we have a bits and bobs policy. I am not going to take the time to read the resolution, Mr. Speaker.

Then in 1952 we had the Canadian forestry association dealing with the same problem and mentioning the necessity for a national policy on water conservation. They gave evidence of the depleted water resources found all across our country in dried up streams, lowering water tables, and ever more frequent floods. That was in 1952. It is now 1964 and we still have no national policy with respect to water conservation. Then we come to a conference that was called planning Canada's resources for the future, the first conference of its kind, called by the Canadian forestry association, at the Chateau Laurier hotel, Ottawa, on April 22 and 23, 1954. I attended that conference. There again, Mr. Speaker, there was a discussion of this very important problem. One of the resolutions passed asked for a national policy for the control and development of the nation's water resources. As I said, this was in 1954, and this conference was called as the result of provincial conferences and the activities of other groups. I give credit to the community groups throughout the nation that

have been interested in this problem throughout the years; but if we are going to be effective there has to be leadership at the federal and provincial levels to give effect to a program that will preserve these water resources for the Canadian people.

I want to bring to the attention of the house, Mr. Speaker, a rather unusual situation that occurred recently in Kootenay West. The people in the Kootenays are concerned with the question of water pollution particularly, and also with the question of the use of the waters of the Columbia basin in Canada for Canadians of this and future generations. I have said that before. They are concerned about pollution. Municipal councils have met and regional groups have met to study this question. On the whole our waters are free of pollution, except in the lower portion of the Columbia river, say from Castlegar to the international boundary. But people are very concerned with the problem of an increase of this pollution and they called in the deputy minister of health for the province. I want to read this editorial to show the approach to this problem on the part of our provincial government. This is an editorial which appeared in the Trail *Daily Times*, a newspaper that takes a great deal of delight in hammering hell out of me. In this case I agree with what they have to say; I always give credit to my opposition when they say things of which I approve. Just listen to this, Mr. Speaker. This is the approach to this water problem:

> We Can't Drink "Averages".
>
> "How do you drink an average?"
>
> It sounded like a joke when it was asked at the annual meeting of the West Kootenay union board of health this week, but there was really nothing very funny about it at all.
>
> The question arose out of a completely inadequate answer given by Dr. James Taylor, the deputy minister of health, to some other questions about the state of the Columbia river.
>
> Dr. Taylor implied that pollution control board secretary Keenan hadn't really meant it when he wrote to the Kinnaird council warning that we were rapidly approaching the point where chlorination would become ineffective as a method of treating Columbia river water.

They are particularly concerned about this because of the tremendous pollution that will occur if the High Arrow dam is built. This editorial continues:

> He said that Mr. Keenan's water sample statistics should be regarded from the standpoint of average. Conditions in the river, Dr. Taylor said, "fluctuate".
>
> In other words, chlorinated river water may be "safe" one day and "unsafe" the next; but on an average over a period, statistically the river is "safe".
>
> Unfortunately, the people of the Columbia riverside communities don't drink statistical averages. They drink water—

—like the right hon. leader of the official opposition—

> —and it is a bit thick for some hidebound civil servants from Victoria to come in here and try to kid us to believe otherwise.
>
> It is patent nonsense to propose that because the Columbia bacteriological count is well down some of the time and dangerously high at other times, that you can go on to strike a mathematical average and call the water "safe".
>
> The pollution control board and the department of health have got to do better than that.

I mention that, Mr. Speaker, to indicate how they are trying to deal with a question like this which is of such great importance to the people directly concerned. This is another indication of the necessity for federal leadership and some co-ordination of policies. They are getting absolutely nowhere with the provincial pollution control board. They simply come in and hold meetings; they do not take any effective action. This editorial was sent to me and brought to my attention, as a matter of fact, by quite a prominent supporter of the government—and I have some of those as well.

I just want to deal with another aspect of this question and quote from some speeches, copies of which have been sent to me. These speeches were delivered in Portland, Oregon, on November 5, 1963. The first one from which I wish to quote was an address given by Major General W. W. Lapsley before the inland empire waterways association. The title of his talk was "Thirty Years of Water Resource Development", and he said:

> As an indicator of future development—we have $1.8 million in the FY 1964 budget for some 35 general investigations, including—

Listen to this. We were told that precedents were not set by the treaty:

> —the unprecedented Rampart project on the Yukon river in Alaska.

You see where they are starting. They have already voted money for these investigations. I hope the minister has noticed this, because this money has been voted by the United States senate:

> By FY 1966 we will need about $3 million for general investigations. Funds for comprehensive studies of the Willamette and Puget Sound basins are included in the FY 1964 budget and a comprehensive study of the Columbia is authorized.

Here is the interesting quotation from the speech of this well informed American. He is dealing with the Columbia all through the speech, and he said:

> The future looks bright. You might even say it looks as if we "have made it"—but don't be too sure.

He was dealing with the procrastination on the part of the Canadian parliament in ratifying the treaty. I want to quote from the remarks of Mr. H. T. Nelson, regional director,

bureau of reclamation, at the 30th anniversary of the inland empire waterways association, Portland, Oregon, on November 4, 1963:

Now let's compare what this economic growth, as illustrated by our experiences on the Columbia river basin project, could mean in future years along the Columbia. Looking at the part of the Columbia river basin along the main stem of the river itself, and up the tributaries to the limits of commercial navigation, we find that there are presently about one and a half million acres irrigated. In future years supplemental waters could be supplied to somewhat over 800,000 acres, and over two million acres of new lands could be brought under irrigation. Just looking at it from a conservation standpoint, in the future we can foresee the irrigation development of from five to six times the area which was actually irrigated on the Columbia basin project in 1962. This would mean, then, that if a similar growth pattern occurred, as was experienced on the Columbia basin project, that there would be a tremendous upsurge in the basic economy of this area.

This is to indicate what they are thinking all the time. You must remember that in this case these gentlemen are talking of the basin to the south of us, the Columbia basin, the states of Washington, Idaho, Montana and California to the south. I am going to requote a paragraph from the Phoenix *Gazette* of Tuesday, April 7, 1964 which was brought to the attention of the house by my leader last night. The newspaper contains an article dealing with the question of the need for water in Arizona. What does it say?

So this leaves outside sources, and while officially no one would say just where these sources might be, privately some agreed that the huge Columbia river probably would hold best promise of a future supply. Water experts have said the state might possibly get up to 12 million acre feet annually from such a source. The Columbia river is in the Pacific northwest.

You can see how these people are short of water, and I do not blame them for being concerned.

Mr. Laing: Would the hon. member permit a question?

Mr. Herridge: Willingly.

Mr. Laing: Would he be surprised to know that the projects which we are either pursuing in active co-operation with the provinces now or are negotiating with the provinces will embrace an expenditure of several times the amount of money that General Lapsley referred to in respect of Rampart.

Mr. Herridge: First of all, I am both pleased and surprised, but the minister is quoting national figures. The figures given here are for a very small area of the United States. I want to give a quotation from "Men and Water", a speech made by Senator Henry M. Jackson, chairman, interior and insular affairs committee, at the 30th annual convention of the inland empire waterways association, Portland, Oregon, November 4, 1963. This is interesting. After talking about what the development of the Columbia will mean to them he says that these are the benefits:

First, and not necessarily in order of importance, by 1980 our present population of about 5½ million is expected to increase to about 8 million. While this poses the problem of finding a million new jobs, the very increase in population itself will tend to stimulate economic growth by increasing consumer demand.

This is the Columbia river basin in the United States about which he is talking.

Second, our basic lumber products industry appears to have weathered the worst and is shifting to more sophisticated forest products.

He goes on to refer to refinements in manufacturing and the building of more paper mills. We sell our timber to pulp mills and so far as paper is concerned, allow the processing to be done largely in the United States.

The greater degree of finished processing of northwest forest products offers opportunity for new jobs and, at the minimum, stability in a field that historically has provided our region with two out of every five jobs.

Third, our large and abundant supply of cool, clean water which industry increasingly requires.

Fourth, the ingenuity, resourcefulness and aggressiveness of our northwest citizens in developing new economic opportunity.

Finally, and perhaps most important of all, there is our great supply of low cost hydroelectric power, with more yet to be developed, which provides the lowest cost energy base in the nation for industry.

I have quoted these extracts from this speech made by this gentleman at this most important conference to show that the people there realize what this treaty means to them, what this additional water from Canada means to them in terms of power, in terms of flood control, in terms of irrigation, in terms of jobs, industry and so on.

I think that the conditions we find in Canada in many cases with respect to pollution of our streams, the lowering of our great lakes water levels, the circumstances we find ourselves in with regard to the Columbia treaty and the multitude of investigations that must be done before we can develop our water resources across this country logically and efficiently, indicate more than ever the pressing need for a national water resources policy developed as the result of co-operation between the federal and provincial governments, based on research, based on adequate information, based on an educational program and based on the necessary publicity to inform the Canadian people of what is being done and of the purposes and objectives of such a policy.

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, in proposing their amendment

and subamendment, the hon. member for Brandon-Souris (Mr. Dinsdale) and the hon. member for Lapointe (Mr. Grégoire) both condemned the attitude of the government toward the Agricultural Rehabilitation and Development Act, also known as ARDA. Some members of the opposition, including the hon. member for Parry Sound-Muskoka (Mr. Aiken), the right hon. Leader of the Opposition (Mr. Diefenbaker) and the hon. member for Kootenay West (Mr. Herridge) also referred to ARDA and the government's approach to it.

In the few minutes at my disposal, I should like, in a purely non-partisan frame of mind, to sketch the history of that legislation and describe what happened. It was in June 1961, you will recall, that the house passed the Agricultural Rehabilitation and Development Act. A few months later, the government of the day appointed a director in charge of administration of this legislation, and agreements between the federal and provincial governments were signed in 1962.

Mr. Speaker, I think that we must give credit to the hon. member for Qu'Appelle (Mr. Hamilton), now sitting in opposition, because he was mainly responsible for the implementation of this legislation which, as the Leader of the Opposition pointed out, is perhaps the most interesting legislation passed by both houses under the previous government.

The Prime Minister of Canada has recognized the importance of this legislation and that of rural development. That is why, in February last, he entrusted me with the responsibility of administrating this legislation, and I am proud that, to the responsibilities of the Department of Forestry, the Prime Minister has added those of rural development and, more particularly, the administration of ARDA.

I have been responsible for the administration of that act for two months, and I wish to tell the house how happy I am about this, not only because this piece of legislation offers tremendous possibilities, but also because it is imbued with a spirit that is quite special. It is an act that does not fall within the ordinary framework and which allows the government to accomplish many things with the provinces for the development of rural resources.

It will be remembered also that, at the outset, this act was of an agricultural nature. But it was easily realized that rural problems could not be solved if rural resources as a whole were not dealt with at the same time, that is, forestry, tourists, fishing, the establishment of small industries and the elaboration of policies likely to promote the development of certain rural areas.

What is known as ARDA constitutes a joint program, which means that it calls for the co-operation of the federal and provincial governments. It is up to the people living in rural areas to take the initiative of suggesting to their respective provincial government programs for the development of their district. Then, provincial governments having approved such programs submit them to the federal government. Therefore, the initiative is not ours. We discuss programs and projects which are submitted to us by provincial governments.

When I assumed the responsibility for the administration of this act, I undertook to visit each and every province in Canada. I think that discussion with provincial ministers responsible for the administration of the act and with provincial officials responsible for its application is the best way to know what they think about the act which, after all, was passed only about three years ago. I also think this is one way of livening up co-operative federalism about which we now hear so much.

Hon. members are aware that the agreements signed with the provinces will expire on March 31, 1965. I hope that, within a few weeks, I will have called on all provincial officials responsible for the administration of that act and that a few weeks later, in June or July, I can hold a meeting with the most interested parties from the provincial and the federal government to review the very basis of that legislation, problems resulting from its administration and improvements that will have to be submitted to the approval of the house next fall.

A few hon. members said that the government had failed to deal with that legislation since coming into power. You will understand that I do not want to indulge in party politics but figures indicate that quite the opposite is true. I do not blame in any way our predecessors, who did not have time to apply that legislation, since it started to operate in the fall of 1962 only, and, as we know, in April 1963 there was a change of government.

The fact remains that since the change in government a great many projects have been approved by the federal government following submissions by the various provincial governments; projects are under way in every province of Canada, and every province is interested in ARDA. To date, 450 projects requiring commitments of $14 million from the federal government have been approved by that government. It would be difficult for me to say exactly how many projects have been approved since the new government took over, but I am under the impression that at least 50 per cent of those projects—

Mr. Pigeon: What is the province's share?

Mr. Caouette: May I ask the minister a question? While he is dealing with the subject could he give us the figures by provinces?

Mr. Sauvé: I shall be pleased to give you the figures for each province, if that may be of interest to you.

In Newfoundland, 32 projects were approved, the federal government being committed for more than $488,000. Prince Edward Island, 18 projects were approved, the share of the federal government being $130,000. In Nova Scotia, 34 projects were approved, the federal government being committed for $425,000. In New Brunswick, 25 projects were approved, the federal government's share being $438,000. In the province of Quebec, 103 projects were approved, the federal government being committed for $2,842,000. In Ontario, 29 projects were approved, the federal government being committed for $2,185,000. In Manitoba, 49 projects were approved, the federal government being committed for $1,745,000. For Saskatchewan, 77 projects have been approved, with a commitment by the federal government of $4,127,000. For Alberta, 22 projects have been approved, with a commitment by the federal government of $1,253,000. For British Columbia, 16 projects have been approved, involving a commitment by the federal government of $508,000. This, therefore, makes up a grand total of 405 projects, as I said at the beginning of my remarks, involving federal government commitments for the sum of $14,143,000.

Mr. Pigeon: Mr. Speaker, I only wish to ask a question.

Can the minister tell the house what main areas of the province of Quebec will be affected by ARDA, without giving any details?

Mr. Sauvé: I do not want to give a detailed answer, but I can tell the hon. members that, in a few days, we shall have the pleasure of sending them a paper that I have here, before me, showing the ARDA projects as a whole, as of March 23, 1964. You will find here plenty of details; moreover, we shall send you documents which may enable you to evaluate for yourselves the scope of ARDA.

Mr. Pigeon: I thank the hon. minister.

Mr. Sauvé: These sums of money have been spent where there were commitments. Many problems still have to be reconsidered, and probably a new direction of ARDA will be proposed to the house. I am not sure yet, because until I have visited all the provinces to discuss with their representatives the application of this act and its consequences on the betterment of standards of living in the rural class, it will be impossible for me to say exactly what the final direction of this legislation will be.

However, it is clear, since this legislation was discussed during election campaigns, that great hopes have been instilled in rural areas. Quite a few citizens thought that once ARDA was approved, every problem facing the rural classes would be settled. I do not want to criticize anybody. It often happens that, during an election, people become enthusiastic and you feel that, for reasons known to everybody, you have to stress certain hopes which, a few months later, prove impractical.

In most provinces, and more particularly in eastern Canada, farmers and other rural people, who are perhaps not farmers and do not earn their living through farming, would like to see immediate results. People complain that it takes too long to consider and reconsider problems; and I think that, on the whole, they are right to ask for immediate results and the concrete solution of certain problems. To my mind those problems could be immediately solved by the programs devised to improve the various areas.

The people in the rural areas are concerned about what will happen when the studies are completed. As you know, intensive studies are being made in several areas of Canada, but the people wonder if the government will consider its task as completed when the studies are over. I think that we will have the responsibility to show those people that the government is serious when it talks of the development of resources in rural areas.

I also found during my visit that the people were concerned because the authorities had not always succeeded in interesting them in the improvement of their living conditions. In several provinces, they have started to set up organizations of social leaders, that is organizations made up of persons having the responsibility of explaining to the people what ARDA is, what projects are under way, why research is being conducted, why such solution is proposed. The idea is to associate the people living in rural areas with the solution of their problems.

Mr. Speaker, during the first two or three years ARDA has been in existence, it has been found that this legislation really had wide applications. In the interest of the persons concerned themselves, that is people in rural areas who have a low standard of living, it will probably be necessary to restrict the scope of ARDA, in order to actually work for the improvement of living conditions in rural areas.

I do not want to conclude those few remarks without mentioning an exceptional experiment which is now going on in nine

ridings of eastern Quebec—under the supervision of the eastern Quebec development bureau—which is described as a pilot area of ARDA.

There, for almost a year, some 60 persons have been thoroughly studying all the resources in the area and looking for solutions that would improve living conditions of these rural dwellers, who have often been neglected, as we were inclined to solve part of their problems through social security measures rather than through a rational organization of local resources.

The rural development office for eastern Quebec is something unique in this country; it is headed by young economists, sociologists and scientists who, under the direction of the lower St. Lawrence guidance council and the Gaspé peninsula economic guidance council, have endeavoured to find a solution to the local problems.

In a few weeks from now, we will invite members of parliament and newspapermen to come and see for themselves the extraordinary work which is being done in Gaspé in co-operation with the Quebec government and with the approval of both the federal and the provincial governments.

With those few words, Mr. Speaker, I should like to call the attention of the house to ARDA, a truly remarkable piece of legislation which deserves the support of all hon. members, regardless of party affiliation. In my opinion, it offers the means to solve the problem of low income in rural areas.

Obviously, it will be impossible to do so overnight, but within a certain period of time, and with the support of all hon. members, I hope we will be able to improve the condition of rural residents.

Then, people will say that for once we, on the government side, and hon. members of the opposition have unanimously agreed on the need to work together to improve the standard of living of our fellow citizens.

[*Text*]

Mr. P. V. Noble (Grey North): Mr. Speaker, on quite a number of occasions during the past few weeks I have indicated my concern to the house with respect to the great lakes water levels. Some people have failed to understand the importance of this problem and I would direct their attention to the headline in today's *Globe and Mail* which says, "Government under fire on issue of lake levels." Anything with which the official opposition can hit the front page of the *Globe and Mail* must have real significance. A further indication of the widespread interest in this problem is a reference to it in the Mount Forest *Confederate,* a newspaper in a town which is many miles away from the great lakes area, and many miles from my radio station, but nevertheless it picked up my radio address on water levels in the great lakes and gave it front page headlines. Therefore the problem does have some significance.

The water levels in Georgian bay have become progressively worse over the past three or four years. Early this year indications were coming from reliable sources that the water would reach an all time low in the great lakes, especially in lake Huron and Georgian bay. To build my case, Mr. Speaker, I must present the following evidence so that I can point out something specific.

On March 24 last, as recorded at page 1405 of *Hansard,* I asked the Minister of Public Works (Mr. Deschatelets) the following question:

> If low water levels create a hazardous situation in any harbour on the great lakes, will the minister give the house his assurance that he will give the problem his immediate remedial attention?

The reply was as follows:

> Mr. Speaker, I do not follow very well the point the hon. member has in mind, but I am going to look into this matter.

Then on April 6 I asked the Prime Minister (Mr. Pearson) the following question:

> What measures does the government plan to take to cope with the serious low water situation in Georgian bay and lake Huron?

Mr. Speaker suggested that this question go on the order paper. I appealed to the Speaker and said, "This is a serious situation in my riding," but Mr. Speaker insisted that similar questions had been asked. I then put this supplementary question to the Prime Minister:

> —owing to the fact that this is a matter of international consequence, has he been contacted by the United States government in respect of this problem?

The Prime Minister replied:

> Not to my knowledge, Mr. Speaker. I know it is a serious matter, and if the hon. gentleman would put his question on the order paper, that would give us a chance to make a thorough examination of the matter.

Within a few minutes a note was brought to me from the Minister of Northern Affairs and National Resources (Mr. Laing) which said that in reply to a question a few days previously he had promised to make a statement on the matter but, owing to the report of his department being incomplete he had asked for further information. When I was in conversation with him later, he promised to bring in a report the following Wednesday or Thursday.

Late during the question period on the following Thursday, when it had become

apparent he would not make a voluntary statement, I asked him the following question:

Is the minister prepared to make a statement with respect to his findings concerning water levels on the great lakes?

The minister replied:

Our branch officials concerned are finding this a very complex matter. A complete statement is being prepared, and it will be of such length that I think I shall be asking the house to agree that it be printed without being read. However, it is not completed yet.

On April 10, at the conclusion of the four day, semi-annual meeting of the international joint commission, a press release underlined the seriousness of the situation. In the hope that information was available other than the press release, I asked the Secretary of State for External Affairs (Mr. Martin) if he would table the report received by our government from the commission. A day or two later the Prime Minister tabled the report, which was so vague I could hardly believe it to be the commission's release. I have it here, and with the exception of two paragraphs it is chiefly statistics. I would like to put these two paragraphs on the record. The first reads:

As the prospects for this year are not encouraging and supplies in the upper lakes are below normal, the international joint commission and its board of control will direct their efforts to alleviate the effects of low water conditions to the maximum extent possible.

The final paragraph reads:

It feels, however, that all affected interests should be forewarned that notwithstanding the fact that all regulatory works will continue to be operated in accordance with the order of approval, a continuation of the existing drought could result in water supply conditions worse than experienced last year.

Now, Mr. Speaker, I have here a clipping of an article from the Montreal *Gazette* of April 13, which gives more detail and offers more constructive suggestions. It states that the—

—American co-chairman of the two nation supervisory body, revealed that the levels are the lowest in some 100 years and that a bold, long term approach must be made to divert rivers and streams to feed the lakes and prevent damage that could reach into millions of dollars.

"We need men of vision to consider radical new plans if we are to overcome this adverse cycle of nature" he claimed.

Arnold Heeney, Mr. Roncalio's Canadian counterpart, agreed that the situation is "very bad". Mr. Heeney disclosed that the commission's appraisal of the situation would be forwarded immediately to the two central governments.

This marked the first indication that the situation has reached the stage where the two federal governments might become involved at the top level.

Neither side was willing to disclose details of their report but it was understood the commission informed the governments that no water level improvement is likely this year or next and that the commission will do what it can to minimize any hardships that may occur.

[Mr. Noble.]

The situation now has alarmed American interests to the point where a committee of 10 senators from states in the great lakes area conferred with their chairman in a special private conference to explore what could be done to alleviate the crisis.

Their chairman informed them the only long-term solution appeared to be one of diverting streams and rivers that feed into Hudson bay or other adjacent areas into the great lakes.

He said there is a limit as to how much diversion would be feasible but some major new plan had to be considered or the lakes basin would face more trouble in the future.

"There is no quick solution in sight," he explained. "We've got to have men of vision and guts to explore sweeping new programs or we will face more hardship and more financial damage in later years."

Then, on April 17, the Minister of Northern Affairs and National Resources, put in his report—a report which was rather in the nature of a review of the situation than a recommendation for relief measures.

The narrow catchment area south of the great lakes has become one of the most heavily populated and highly industrialized parts of the entire world. This applies also to the Canadian side in southern Ontario. The huge inland reservoirs constituted by the great lakes have been treated as though they were inexhaustible, but the toll is becoming more and more evident as the problems of the dwindling flow from the watersheds are multiplied through the drain of increasing consumptive use and the relentless pressure of withdrawals to the water-deficient parts of the Mississippi basin only a short distance to the south.

The situation is forcibly brought home to us in reports such as the following—this one appeared in the March edition of "Ship-Shore", and I should like to quote from it:

It has been estimated that each one inch that the level of lake Huron goes down represents a power loss of $1,000,000 a year, with shipping losses in freight unable to be carried, at a quarter of a million.

Then I have another from the *Telegram* of April 4, 1964. I should like to put this on record, also.

Big cargo vessels can't get into ports early in the season without cutting tonnage.

Captain Bert Bazeley, fleet manager for Upper Lakes Shipping Ltd., Toronto, says each of the company's 10 large carriers is shipping 1,000 tons light every trip.

It's the same story with other fleets.

Tourist operators, commercial fishermen and cottagers on Georgian bay have literally been left high and dry.

Heavier boats will have to be dragged to water which once lapped at boat houses and docks.

I do not think the hon. member for Simcoe North (Mr. Smith) will have an opportunity to speak. This matter affects his riding and I will, if I may, read the following quotation also from the same paper:

The water is so low at Collingwood that the town's main industry, Collingwood Shipbuilding Ltd., may have to shut down, throwing 1,000 persons out of work.

I have a short quotation here, too, from the Toronto daily *Star* which I should like to place on record:

Ontario hydro's coal bill is going up. When water levels are low, it has to burn coal to produce electricity at steam generating plants to make up for lost production at hydraulic plants.

Last year it lost 3.5 billion kilowatt hours of production on the St. Lawrence and Niagara rivers, had to buy $13 million worth of coal. In the first three months this year, lost production was 60 per cent higher even than in the same period last year.

My concern, now, is the need for immediate attention to the problem which has arisen in the Owen Sound harbour, affecting in particular the Russel Brothers boatworks in the outer harbour. Russel Brothers have operated successfully in Owen Sound for many years. The original owners are now deceased and the firm was taken over by three employees. These three men found it a large and difficult undertaking to carry on with limited means. Nevertheless, they have managed to keep their staff of 180 men at work. Now they are confronted with the problem of getting new vessels launched. A harbour firefighting tug for Toronto was completed for April for delivery on May 1. Knowing of this delivery date and the condition of the approaches to the plant, I alerted the government with questions on the subject as early as March 24 when I directed a question to the Minister of Public Works (Mr. Deschatelets). A few days later I directed a further question to the Prime Minister and, in addition, I spoke privately to two other members of the cabinet. I also got in touch with the district engineer who was familiar with the situation, and in a letter to myself dated April 16, he said:

Thank you very much for your letter of April 13, 1964. The problem of Russel Brothers Limited, Owen Sound, due to low water is indeed distressing. Each mail now brings to my attention a request for assistance in a similar situation. The Georgian bay level is the lowest on record and it is forecast to go even lower. The cost of remedial measures could be monstrous.

I am making a full report to the department on the problem you have outlined and I hope something can be done to relieve it. I share your concern and am giving this matter my personal attention.

I have a further letter from the district engineer dated April 30. Hon. members will note there is an interval of two weeks between the time I received the letter I have just read and the time I got this one.

I have deferred replying to your letter concerning dredging at Russel Bros. at Owen Sound, awaiting word from the department. No word has come yet, nor have funds been authorized for the work. The dredge at Wiarton belongs to Simcoe Dock and Dredge Co.

I had found out that there was a dredge at Wiarton, only a few miles from where this relief work needed to be done, and Mr. Henderson advised me that this dredge belonged to the Simcoe Dock and Dredge Company. The letter continued:

It would be necessary to have the project approved and funds authorized before I could hire a dredge to do the work.

Every day brings correspondence from someone suffering from low water on lake Huron. The water level is at an all-time low and we have a heavy volume of requests for dredging, extension of marine structures, floats, lowering of decks, of docks, etc.

I will not quote any further—

Mr. Knowles: Six o'clock.

Mr. Noble: May I call it six o'clock, Mr. Speaker?

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Batten): It being six o'clock it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock are as follows: the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon); the hon. member for Cumberland (Mr. Coates) on a matter having to do with lay-offs at Enamel and Heating Products, Limited, Amherst, and the hon. member for Villeneuve (Mr. Caouette) on a question dealing with immigration.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SUPPLY

The house resumed consideration of the motion of Mr. McIlraith for committee of supply, and the amendment thereto of Mr. Dinsdale, and the amendment to the amendment of Mr. Grégoire.

Mr. Noble: Mr. Speaker, I will continue my remarks at the point I left off before the dinner hour. I called the attention of the Minister of Public Works (Mr. Deschatelets) twice to this matter but was informed he was not available. However, a member of his staff said he would have the matter looked up and would call me back. The following day I was informed that the Department of Public Works could not assist. As a last resort I wrote a letter to the Minister of Industry and sent copies to the following ministers: the Minister of Public

Works, the Minister of Transport (Mr. Pickersgill) and the President of the Privy Council (Mr. McIlraith). I want to read this letter into the record, Mr. Speaker. It is addressed to Hon. Charles M. Drury and reads as follows:

Dear Mr. Minister:

Re: Russel Brothers Limited
(Ship builders—Owen Sound)

The low water in the great lakes is having a very bad effect on this industry. Dredging will help, but the officials of the Department of Public Works have informed me that they will not do any dredging because it will benefit only this shipyard. However, unless something is done, the jobs of 180 men in Owen Sound are in serious jeopardy.

The company is required to deliver a fire tug to the city of Toronto by May 1, and they can only move it by building sponsons. I am also advised that they have had to refuse two large repair contracts because of the condition of the approaches to the shipyard.

The amount of dredging required from the shipyard property to the main channel will cost only about $15,000 and the company has offered to pay half of this amount, as a small portion of the dredging will be on its property. The dredging could be done quickly because a dredge is already at Wiarton doing less urgent work.

Having regard to your department's duty to maintain and encourage Canadian industry—particularly in areas such as Owen Sound where alternative employment is not readily obtainable—I would ask you to use your influence to have the Department of Public Works reconsider its decision and allow this industry to continue to provide much needed employment.

To date I have had a reply from only one of these ministers. I should also like to put that reply on the record; it is from the Minister of Transport. I received it yesterday and the letter I sent out was on April 23.

Dear Mr. Noble:

Thank you for passing to me a copy of your letter of April 23 addressed to my colleague the Hon. Mr. Drury, asking him, in the interests of maintaining an important Owen Sound industry, to attempt to persuade the Department of Public Works to carry out some dredging in the Owen Sound slip.

Mr. Aiken: What is the rest of it?

Mr. Noble: That is all there is. We have heard a lot about designated areas and how the government propose to assist. My area might be a borderline example, as it is an area to which it is difficult to attract industry; but surely when the government are presented with an opportunity just to help us hold what we have they will not continue to turn their backs on us. The people of Canada will surely lose confidence in an administration which says one thing and then does another.

To illustrate my point, and especially after the experience I have just related, I should like to quote two excerpts from a speech made by the Minister of Public Works on May 1, as reported at page 2834 of *Hansard*. The first quotation is as follows:

I think we should take resolute action to the effect of contributing, through major improvements in strategic sites, to the establishment of important industries, which would have repercussions, not only inside our boundaries, but also with regard to foreign trade.

Then he continued:

A private company told us: If the government agrees to build a wharf, a breakwater or agrees to do some dredging according to the plans submitted, we will build there a plant that will give work to hundreds of people.

I know the house will be interested to know what happened to the Toronto fire tug to which I referred earlier in my speech. When it was evident that the government did not intend to dredge the channel, huge pontoons or sponsons were constructed on which the tug was mounted and floated through the shallow water to deeper water in the bay. These sponsons were then pumped full of water to sink them away from the hull. This operation cost the Russel Brothers boat works quite a large sum of money which they could ill afford to have taken from the limited margin of profit on such a contract. I compliment the management of this plant and their employees for their efforts to keep the plant operating in spite of government neglect.

Owen Sound harbour proper is in need of immediate attention. The grain carrier *Agawa* arrived at our elevator about two weeks ago and when proceeding to turn around after having unloaded her cargo became grounded. I might say that this elevator has a four million bushel capacity, and on speaking to the manager of the elevator last week end he told me they handled between seven and eight million bushels in one season. Then last week the Canadian oil tanker *W. Harold Rea* came into Owen Sound with a cargo of oil. She also had difficulty and her draught is only 19½ feet when loaded. Under these circumstances how long can we expect shipping to be directed to our harbour?

The Minister of Public Works stated during his estimates that he did not think that dredging could solve the problem. Dredging is a dire necessity in Owen Sound and Collingwood. This low water level is affecting every aspect of our economy right across this nation. Movement of all commodities by this cheapest of all transportation into our many ports either for use there or for transshipment is so very essential. The tourist industry no doubt will suffer. Our own citizens will undergo many inconveniences. The government has intimated that providence has dealt us a cruel blow and from this they have taken

consolation—and an excuse for inactivity. Such a phenomenon has happened in other parts of the world and history has proven that men and governments must face up to their responsibilities and implement corrective action.

Many corrective suggestions have been made by previous speakers. The United States government has indicated its alarm, and its willingness to initiate some immediate action on proposals which have been presented to them by their engineers and by a private Canadian engineer. Why does this government not show a little leadership and intestinal fortitude, make their stand known and join with the United States in a joint program and get on with the job that must ultimately be done? The water table throughout much of western Ontario is such that farmers are required to deepen their wells or to drill new ones. The Ontario government has come to realize the great urgency for water conservation and is paying a 50 per cent subsidy toward farm ponds. I have in front of me an excerpt from the London *Free Press* which I should like to put on the record at this point:

> The provincial government is sending an engineer into western Ontario to assist farmers making plans to alleviate the water shortage.

Further down this article it says:

> An expert in water problems, Vernon I. D. Spencer, will assist farmers in the construction of water-catching ponds and reservoirs.

We cannot continue to denude vast areas of our country of forests by timbering and by fires if water levels are to be maintained. In my time I have seen many springs, which were the feeders to our streams and rivers, dry up and cease to exist. Streams that once carried water to the lakes 12 months of the year now dry up after the spring freshet.

I would like to add one more suggestion, Mr. Speaker, to the list already proposed by other speakers. In my opinion reforestation and water conservation in all areas of the great lakes watershed could be enlarged upon. The governments of both the United States and Canada could add much momentum to such a program, where an army of people would be willing to co-operate if given encouragement and direction. This development will have to come eventually, so why not start at the earliest possible time? The population of 40 million in the great lakes area is increasing at a rapid rate and water requirements will have to be met, so it is essential that any plan to conserve water should be carefully considered and, if found to be sound and practicable, should be put into effect. Water must be maintained at satisfactory levels, otherwise circumstances could become disastrous.

In conclusion, Mr. Speaker, I want to say that there are many things we can get along without, but water is not one of them. Water has a multitude of uses; indeed, it is essential to life itself.

Some hon. Members: Question.

Mr. Speaker: It being 8.15 o'clock, it is my duty, pursuant to section 4 (d) of standing order 56, to interrupt these proceedings and put forthwith the question on any amendment now before the house.

The house divided on the amendment to the amendment (Mr. Grégoire) which was negatived on the following division:

YEAS

Messrs:

Beaulé	Grégoire
Bélanger	Langlois
Boutin	Laprise
Caouette	Latulippe
Dionne	Plourde
Gauthier	Rondeau—12.

NAYS

Messrs:

Aiken	Dinsdale
Alkenbrack	Doucett
Armstrong	Douglas
Asselin (Richmond-Wolfe)	Drouin
Badanai	Drury
Balcer	Dubé
Baldwin	Dupuis
Basford	Émard
Batten	Eudes
Béchard	Fairweather
Beer	Fane
Bell	Favreau
Benidickson	Fleming (Okanagan-Revelstoke)
Benson	Flemming (Victoria-Carleton)
Berger	Forbes
Bigg	Forest
Boulanger	Forgie
Brown	Francis
Byrne	Frenette
Cadieu (Meadow Lake)	Gelber
Cadieux (Terrebonne)	Gendron
Cameron (High Park)	Girouard
Cameron (Nanaimo-Cowichan-The Islands)	Godin
Cantelon	Gordon
Cantin	Grafftey
Cardin	Gray
Caron	Greene
Carter	Guay
Casselman, Mrs.	Gundlock
Chatterton	Habel
Choquette	Hahn
Churchill	Haidasz
Clancy	Hales
Coates	Hamilton
Cooper	Harkness
Côté (Chicoutimi)	Harley
Côté (Longueuil)	Hellyer
Cowan	Herridge
Crossman	Horner (Acadia)
Crouse	Horner (The Battlefords)
Danforth	Howard
Davis	Howe (Hamilton South)
Deachman	Howe (Wellington-Huron)
Deschatelets	Jorgenson
Diefenbaker	

Divisions

Kelly
Kennedy
Kindt
Klein
Knowles
Konantz, Mrs.
Korchinski
Lachance
Laing
Lamb
Lambert
Lamontagne
Lamoureux
Laniel
Laverdière
Leblanc
Leboe
Leduc
Lessard (St. Henry)
Lloyd
Loiselle
Loney
Macaluso
Macdonald
MacEachen
MacEwan
Mackasey
MacLean (Queens)
MacNaught
Macquarrie
MacRae
McBain
McCutcheon
McIlraith
McIntosh
McLean (Charlotte)
McMillan
McNulty
McWilliam
Madill
Mandziuk
Marcoux
Martin (Essex East)
Martineau
Matheson
Matte
Millar
Monteith
Moore
Moreau
Morison
Muir (Lisgar)
Mullally
Munro
Nesbitt
Nicholson
Nielsen
Nixon
Noble
Nowlan
Nugent
O'Keefe
Olson
Orlikow
Otto
Pascoe
Patterson
Paul
Pearson
Pennell
Pepin
Pickersgill
Peters
Pigeon
Pilon
Prittie
Prud'homme
Rapp
Rhéaume
Ricard
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Rynard
Sauvé
Scott
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Stewart
Tardif
Teillet
Temple
Thomas
Thompson
Tremblay
Tucker
Turner
Valade
Vincent
Wahn
Walker
Watson (Assiniboia)
Watson (Chateauguay-Huntingdon-Laprairie)
Webb
Webster
Weichel
Whelan
Willoughby
Winch
Winkler
Woolliams—210.

Mr. Speaker: I declare the amendment to the amendment lost. The question is on the amendment to the main motion.

The house divided on the amendment (Mr. Dinsdale) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Bell
Bigg
Cadieu (Meadow Lake)
Cantelon
Casselman, Mrs.
Chatterton
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Doucett
Fane
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Girouard
Grafftey
Gundlock
Hales
Hamilton
Harkness
Horner (Acadia)
Horner (The Battlefords)
Howe (Wellington-Huron)
Jorgenson
Kennedy
Kindt
Korchinski
Lamb
Lambert
Loney
MacEwan
MacLean (Queens)
Macquarrie
MacRae
McBain
McIntosh
Madill
Mandziuk
Martineau
Millar
Monteith
Moore
Muir (Lisgar)
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Pascoe
Pigeon
Rapp
Rhéaume
Ricard
Rynard
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Weichel
Willoughby
Winkler
Woolliams—78.

NAYS

Messrs:

Armstrong
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Beaulé
Béchard
Beer
Bélanger
Benidickson
Benson
Berger
Boulanger
Boutin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caouette
Cardin
Caron
Carter
Choquette
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Davis
Deachman
Deschatelets
Dionne
Douglas
Drouin
Drury
Dubé
Dupuis
Émard
Eudes
Favreau
Forest
Forgie
Francis
Frenette
Gauthier
Gelber
Gendron
Godin
Gordon
Gray
Greene
Grégoire
Guay
Habel
Hahn
Haidasz
Harley
Hellyer
Herridge
Howard
Howe (Hamilton South)
Kelly
Klein
Knowles
Konantz, Mrs.
Lachance
Laing
Lamontagne
Lamoureux
Langlois
Laniel
Laprise
Latulippe
Laverdière
Leblanc
Leboe
Leduc
Lessard (St. Henry)
Lloyd
Loiselle
Macaluso
Macdonald
MacEachen

Mackasey	Prittie
MacNaught	Prud'homme
McIlraith	Richard
McLean (Charlotte)	Rideout
McMillan	Rinfret
McNulty	Robichaud
McWilliam	Rochon
Marcoux	Rock
Martin (Essex East)	Rondeau
Matheson	Rouleau
Matte	Roxburgh
Moreau	Ryan
Morison	Sauvé
Mullally	Scott
Munro	Stewart
Nicholson	Tardif
Nixon	Teillet
O'Keefe	Temple
Olson	Thompson
Orlikow	Tremblay
Otto	Tucker
Patterson	Turner
Pearson	Wahn
Pennell	Walker
Pépin	Watson (Chateauguay-Huntingdon-Laprairie)
Peters	Webster
Pickersgill	Whelan
Pilon	Winch—141.
Plourde	

Mr. Speaker: I declare the amendment lost.

Mr. Skoreyko: I was paired. Had I voted I would have voted for the amendment.

INCOME TAX—DEDUCTIONS FOR CHARITABLE AND OTHER DONATIONS

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the grievance I want to voice tonight in the house concerns the administration of the Department of National Revenue in respect of income tax, and more particularly the receipts for charitable donations which the taxpayers submit to their respective taxation offices throughout the country, and more particularly in our province of Quebec.

Mr. Valade: In that case, why do you vote with the Liberals?

Mr. Caouette: Mr. Speaker, if we all speak at the same time, I think it will be rather difficult to understand each other and to make ourselves heard.

[*Text*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Caouette: Some time ago I asked the Minister of National Revenue a question. And I shall quote it as well as the answers which were given to me. The question, which was listed under No. 946, can be found on page 2874 of *Hansard*. I quote:

1. Does the Income Tax Act provide for a maximum deduction of 10 per cent of net income for charitable donations and, if so, is this provision applied uniformly across Canada?

And the minister's answer was:

1. (a) Yes. (b) Yes.

That is to say that Canada has a uniform policy which is uniformly applied throughout Canada.

Part No. 2 is as follows:

2. What procedures do departmental officials follow when processing income tax returns claiming deductions not exceeding 10 per cent—

I would ask you to note that under the act, the Canadian taxpayers are entitled to a maximum deduction of 10 per cent of their net revenue for charitable donations.

—and accompanied by receipts for charitable donations?

The answer was as follows:

2. The amounts claimed as deduction are granted, except if there are good reasons to believe that the submitted receipts are not genuine or that the amounts for which they were made out are mere estimates and not based on any bookkeeping with regard to the sums actually received from each donor by the charitable organization.

Part 3 of the question read as follows:

Are receipts for charitable donations ever questioned and, if so, are deductions ever arbitrarily reduced by departmental officials?

Answer to part 3 of my question was as follows:

3. (a) Yes. (b) No. Not if it means "without reason". If a charitable organization does not keep books showing the amounts received from each donor, and if the total deduction claimed by all donors is higher than the total amount actually received by the organization, the deduction claimed by each donor may be reduced accordingly.

Part 4 of my question read as follows:

4. In the reduction of allowances for charitable donations are officials acting within the authority of the Income Tax Act or by some special authority granted to the Minister of National Revenue and exercised with his knowledge?

Answer to said part 4 of my question was as follows:

4. Within the authority of the Income Tax Act.

Here was part 5 of my question:

5. What appeal is open to taxpayers who feel that they have been dealt with in an arbitrary manner?

Answer to last part of my question number 946 was as follows:

5. The taxpayer should first of all communicate with the district taxation office and supply detailed information concerning the contributions he actually made to the organization concerned as well as every available evidence or proof thereof. If he is unable to convince the officers of the taxation office that the amounts involved are higher than the deductions granted at the time of assessment he may produce a notice of opposition on form T400A. Two duly filled-in copies of that form should be sent by registered mail, within 90 days of the mailing date of the notice of assessment, to the deputy minister of national revenue (taxation), in Ottawa.

Mr. Speaker, all those answers are given to further confuse the situation and the Canadian taxpayer.

Deductions for Charitable Donations

I have here a bulky record of complaints concerning the treatment received by Canadian taxpayers in my area, in this case, people who had properly filed their tax return, presenting it to the taxation director in Rouyn and claiming exemptions for charitable donations.

For instance, I have here the case of Mr. Roger Déry, of Bourlamaque, P.Q., who wrote me on April 29:

I am forwarding my notice of assessment asking me to pay $12. I earned this year the amount of $3,221.61.

A big salary—

And with my charitable receipts, I had $4 coming back to me. I had charitable receipts in the amount of $200—

That means a little under 7 per cent, around 6 per cent of his net income in charitable receipts.

I had $200 and they cut off $100. So, I would owe them $12. That is not fair with the starvation wages I am getting.

I wrote to the taxation director in Rouyn on May 1, concerning Mr. Roy.

The taxation director, Mr. Merleau, M-e-r-l-e-a-u, a fine bird, replied as follows:

Sir:

He does not even address me as a member of parliament, and he, a government civil servant.

Receipt is acknowledged of your letter dated April 27, 1964 concerning the charitable donations of Mr. Roy.

I regret to inform you that the charitable receipts presented could not be accepted by the Minister of National Revenue—

By the minister, not by himself; the minister cannot accept receipts for $200.

—because the issuer does not keep adequate records.

They went to rectories to see if there was an accounting system, because the government does not have any. I should tell the house right away that all the parish priests in the province of Quebec who are bothered or visited by income tax inspectors should simply throw them out. They should not tolerate them.

—the Minister of National Revenue cannot accept them because the issuer does not keep adequate records.

Would you kindly remember the instructions issued by the deputy minister (taxation) in 1962—

Although the minister cannot accept those receipts, the deputy minister issued instructions in 1962, following the election no doubt—

—which clarify the act on that point for the benefit of charitable organizations which issue receipts for income tax purposes to those making donations. The last paragraph reads as follows:

[Mr. Caouette.]

Charitable organizations which issue receipts for income tax purposes must keep records enabling inspectors to check the authenticity of receipts and the nature of donations.

I shall be glad to have the appropriate corrections made on presentation of any further evidence that the taxpayer might hold to justify his charitable donations.

Mr. Speaker, that letter is probably the most stupid and idiotic I have ever received from a high official of the income tax district office. It requires the taxpayer to supply further evidence, when he sends a receipt in proper form for charitable donations.

The director of the Rouyn income tax district office, the director of the Quebec district and those of the other districts throughout the country, the minister himself, in brief everybody knows that I do not mean charitable donations that we give only on Sunday collections at church. There are many charitable organizations which request our help, week after week and day after day. Those are the boy scouts, the ladies of Ste. Anne, the children of Mary; it is a tag-day here, a tag-day there, the Richelieu club, the foreign missions, all kinds of organizations which ask for our help the year round. We give 50 cents, a dollar, two dollars, but we do not keep a record of all those sums.

I have here the example of a workman, under 21 years of age, who earns $3,221 a year, a married man with children. He files his income tax return, sends a $200 receipt for charitable donations, and the director of the Rouyn income tax office decides, in an arbitrary way, to cut this receipt by $100 and claim from him an amount of $4 instead of refunding to him the $12 to which he was entitled.

Mr. Speaker, this is a great shame for us, federal members of parliament, to face our electors concerning the arbitrary enforcement of the Income Tax Act. That is why we ask the minister and the officials of the department whether, in the Income Tax Act, it is stipulated that every citizen is entitled to a maximum deduction of 10 per cent of the net income for charitable donations. If the answer is in the affirmative it should be applied and all Canadian taxpayers should be granted a maximum of 10 per cent for charitable donations, and charitable organizations, parish priests, ministers, the Salvation Army or any other welfare organizations should be left alone. A taxpayer should not be asked if he can explain a certain amount or whether he has some special system of accounting to please the income tax deputy minister or the director of the Rouyn district income tax office or any other district office in Canada.

I have another letter from Bourlamaque which reads as follows:

Sir, I am sending you my notice of my assessment. According to my income tax return, I was entitled to a refund of $102.15. The $200 deduction which I claimed for charitable donations has been reduced to $100.

Another $100 cut.

So, I got only $80.15. There is still $22 coming to me.

Mr. Speaker, why be mean with people who earn their living by the sweat of their brow and who are not entitled, like business owners, to deduct from their income tax the cost of their equipment and of their working material?

Doctors, dentists, lawyers, garage operators are entitled to deduct from their income tax the cost of the material they purchase, and of the machinery or equipment they need. We have the right to deduct such costs from our taxable income, whereas the poor miners, the labourers and the mechanics who buy equipment for hundreds of dollars are not entitled to deduct from their taxable income the cost of the tools they use to earn their living by the sweat of their brow.

Not only are they deprived of the right to do so, but even the amount of income tax that they must pay each year is increased, especially since last year.

Mr. Speaker, we strongly object to that arbitrary attitude taken against the Canadian taxpayer, the man who earns his living by the sweat of his brow—

Mr. Langlois: The Liberal gestapo.

Mr. Caouette: Mr. Speaker, the hon. member for Megantic is certainly right in calling it the Liberal gestapo, but in the past we had the Conservative gestapo which used to act the same way, in the same arbitrary fashion.

Mr. Rondeau: Mr. Speaker, I wish to call the attention of the hon. member for Villeneuve (Mr. Caouette) to the fact that the hon. member for Lévis (Mr. Guay) has been trying to get a word in for the last few minutes. In view of the fact that he does not often get the opportunity to speak, I feel that he should be allowed to say what is on his mind.

Mr. Deputy Speaker: Order. The hon. member for Villeneuve has the floor.

Mr. Caouette: Mr. Speaker, I have not heard the hon. member for Lévis. Since, when he speaks, his remarks are barely audible, I feel that they are not very interesting. However, he is a gentleman, I have a lot of admiration for him and I will undoubtedly give him a hand in his riding.

Mr. Guay: Do come back, as it helped me the last time; I won.

Mr. Caouette: I will go and help you put the Lauzon shipyards into operation.

An hon. Member: Look after your own garage.

Mr. Caouette: If my hon. friend wants to have a look at my garage, he will find out that it is much better administered than this country under the present government.

An hon. Member: What about your system?

Mr. Caouette: It is not our system, it is yours and I am against it. But at least, I have enough pluck to fight against it.

Mr. Speaker, if there are that many blockheads we will have to shut them up.

In any case, the district income tax director of Rouyn wrote another letter similar to the one I referred to earlier, that is in exactly the same terms. This time, he did not have his letter photocopied; it is the original. There again, he writes:

Charitable organizations giving income tax receipts must have a bookkeeping system which permits tax inspectors to verify the authenticity of the receipts and the nature of the donation.

I shall be pleased to cause appropriate corrections to be made on submission of supplementary evidence which the taxpayer may have in order to justify his charitable donations.

I hold in my hand a letter from a taxpayer of Sullivan in which he says:

I am sending my income tax papers for 1964. I have no receipts I can send you to prove anything, because the government has all my receipts for charitable donations which amount to $250.

And there again, a notice of assessment was sent to him from which I quote a paragraph:

Your deduction for charitable donations has been reduced to the amount deductible according to the admissible receipts produced.

There was only one receipt involved in the amount of $250, but according to the admissible receipt produced, which was refused, these charitable donations amounted to $250. They were reduced from $250 to $100. And while the taxpayer had claimed a refund of some thirty odd dollars, he is now asked to pay the sum of $12.80.

That is a taxpayer who, in 1963, earned $3,540. When he is asking for an exemption on $250 in charitable contributions, what does that mean? About 6½ or 7 per cent of his taxable income.

Here we have a family whose income for a 12 month period amounted to $3,540, and the head of the income tax district office decides, just like that, to take $20 away from it.

And the same thing happens over and over again in all fields of activity.

Deductions for Charitable Donations

I have here a letter from Mr. Gilles Lejeune, of Bourlamaque, who claimed an amount of $250 in charitable donations.

He was allowed a deduction of only $100, and the income tax officials took a similar arbitrary attitude.

I have a letter from another elector from Val d'Or. Everyone knows that you do not need to produce receipts if you claim only a $100 deduction. Why bother about that then?

In fact, is there anyone in Canada who does not give to charity, one way or the other, at least $200 a year? As I said a while ago, we are constantly besieged with request for assistance to the poor and the needy. Requests for help to needy children, to the destitute, etc. come right and left from organizations like the Fédération des femmes canadiennes-françaises.

Mr. Speaker, I have in my hand a letter from Mr. André Cartier, of Val d'Or, who writes to me as follows:

Dear Mr. Caouette,

I am writing to you about my income tax return. I was supposed to get a reimbursement of $55.40 but I have received only $19.40. I submitted a receipt of $350 for charitable donations but it was cut down to $100.

The situation is the same for all Canadian taxpayers, but I wonder to what extent that discrimination is restricted to certain counties of the province. Could it be that the counties which elected a government member are less affected by that cut in charitable donations than those which elected an opposition member? I wonder.

I know that our friends opposite are also confronted with such problems and that they were faced with several such claims, but is this arbitrary action carried to the extreme in their county as it is in ours, that is the counties represented by opposition members?

Mr. Speaker, I would also like to quote another letter from Bourlamaque:

As you have suggested this afternoon in Val d'Or, I am forwarding the notice of assessment I received from the income tax division—

—Income $4,652.03—

Personal exemptions, $2,900.

Medical expenses—

His charitable donations were reduced from $250 to $100, that is less than 5 per cent of his net income.

This inspector—I mean the director, Mr. Merleau, that is the dictator—replies again:

Your statement for charitable donations—

It is always the same letter. Why? All he can say is that the minister cannot accept the receipt, that in 1962 the deputy minister has given instructions to the inspectors to check the accounting of parish priests and of charitable and welfare organizations in Canada.

[Mr. Caouette.]

Therefore, Mr. Alphonse Marcotte's charitable donations were also cut down to $100; he lives in Bourlamaque.

Another taxpayer, Mr. Octave Mercier, who earns $3,894 per annum and who submitted a statement for charitable donations amounting to $207.50—which does not even represent 6 per cent of his annual income—also had his charitable donations chopped down to $100.

All members of the house could say the same thing, for we all get similar complaints from our voters, the Canadian taxpayers.

That is why, Mr. Speaker, in the grievance I am making tonight, I would like to submit to the minister that income tax inspectors—be they Mr. Merleau, of Rouyn, Mr. Gingras, of Quebec, Mr. Audet, of Quebec, or whoever they may be—should not be authorized to go and investigate in our parochial presbyteries.

The minister should see that the legislation now in effect is applied, that the provisions of the said legislation are enforced and that their application is generalized throughout the country. It would be less expensive for the department to make refunds to Canadian taxpayers than to pay those inspectors who call at rectories and make the Canadian taxpayer ridiculous by compelling him to comply with provisions which he cannot understand. For instance, they say that the taxpayer should provide further evidence, when the income tax inspector knows very well that there is no other evidence for those charitable donations than the receipts filed with the local or district income tax office.

Mr. Speaker, the government should show more concern for the Canadian taxpayers. Some people who hardly earn $3,000, $3,500 or $4,000 per year are pestered by income tax inspectors when they are already hard put to manage their budget or are unable to make ends meet.

Why allow those people to be tormented any longer by income tax bureaucrats who refuse to pay them amounts as ridiculously low as $4, $12, $25, or $30? They would spend that money on groceries and it would increase their purchasing power.

But no. The government swallows everything at the expense of the small taxpayer and the low wage earner. We shall never protect those people enough, because, as I said earlier, they deserve the attention of the Minister of National Revenue. There is discrimination against the little people who have trouble keeping alive under the present system.

When the minister orders his officials to grant the 10 per cent deduction for charitable donations, he will make things much easier for present as well as future administrators.

It is in the name of those workers, miners, labourers, small wage earners, white or blue collar workers that we protest tonight against that arbitrary way—and I will never say it often enough—in which income tax inspectors and directors treat the Canadian taxpayers.

Let us try to take a stand, once and for all, and solve those problems in order to stop complaints from our own electors about such discriminatory measures taken against them by an administration which I would call fundamentally dishonest.

When we have won on that point, Mr. Speaker, we will not endeavour to get credit for it. The Minister of National Revenue can take credit for it; let us stop, as I said, torturing workers in our area and in the province.

I have also before me a letter from Mr. Germain Houde, of Bourlamaque, whose receipts were cut down to $100. I have another one from Mr. Albert Santerre, 1 Main street, Sullivan, in Abitibi, whose receipts for charitable donations were cut down to $100, whereas it is stipulated in the guide accompanying the T4 form that everyone is entitled to $100 deduction. We do not need a Mr. Mercier or a Mr. Merleau, of Rouyn, to tell us how to fill our forms. We know how.

I have also a letter from Mr. Rosaire Tousignant of Val d'Or, who claimed $300 for charitable donations which were cut down to $100. Why? Because an income tax inspector was not satisfied with the accounting system and because the minister refused to accept the receipt, according to what Mr. Merleau wrote to me on May 1.

The charitable donations of Messrs. Stanislas Tremblay, Sullivan and Conrad Godin, of Val d'Or, were also cut down to $100. It is always the same thing. At least, they could save on all this paper which is paid for by the workers.

Why not merely say, whenever the opportunity arises for the minister to make a speech, that from now on, nobody can claim more than a $100 exemption for charitable donations, since we do not believe any more in the parish priests, the ministers or the welfare associations in this country? Why should we question the sincerity and honesty of people such as parish priests and ministers? Moreover, why should we question the Canadian taxpayer's honesty?

Could it be, by any chance, that the income tax inspectors and directors that we have today in Canada are nothing but thoroughly clever people whose only wish is to preserve Canada's economy by swindling and robbing further the Canadian worker?

Mr. Speaker, there are limits to injustice. The minister will have to answer for his many injustices to Canadian workers if he is not willing to answer at this time. Those people should be treated with a little more respect by income tax district offices, and when they submit a proper receipt, signed by a parish priest or a charitable organization, it must be remembered that in addition to the donations vouched for by the receipts, there are often other large amounts which are given occasionally, as I said at the beginning of my remarks, when parties are held by parish, local and other organizations in order to help the very poor.

Mr. Speaker, I ask the minister to make a statement as soon as possible, not in favour of income tax directors and inspectors, income tax deceivers and blood suckers, as I call them quite often, but in favour of the Canadian workman, the day labourer who is tired of being fleeced the way he is at present.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, the Department of National Revenue—

Mr. Deputy Speaker: Order. I suppose that the hon. member wishes to speak about the same matter?

Mr. Pigeon: Yes, Mr. Speaker.

The Department of National Revenue often rejects, without reason, the receipts for charitable donations filed by Canadian taxpayers.

I therefore ask the minister to use his influence and I also appeal to the Minister of Justice (Mr. Favreau) who is supposed to have gained some influence lately, to convince the government to amend the legislation in order to make it more flexible and thus avoid many criticisms coming from all parts of the country.

The hon. member for Villeneuve (Mr. Caouette) blamed the civil servants. He blamed them for doing their duty. He should not blame civil servants but rather the fact that the legislation is not amended so as to be more equitable towards Canadian taxpayers.

Mr. Speaker, the hon. member for Villeneuve said—

Mr. Caouette: Would the hon. member for Joliette-L'Assomption-Montcalm allow me a question?

Mr. Pigeon: Mr. Speaker, I do not want him to ask me any question, he talked enough when it was his turn—

Mr. Caouette: Just one question, Mr. Speaker?

Mr. Deputy Speaker: Order.

Mr. Pigeon: No, Mr. Speaker, I will not allow it.

The officials of the Department of National Revenue apply the provisions of the legislation. It is essential that the legislation be amended by the government to make it more flexible and meet the needs of the Canadian taxpayer since the great majority of Canadian workers are now complaining about the provisions of the Income Tax Act.

The hon. member for Villeneuve suggested that 10 per cent should be deducted automatically without any consideration. I would prefer that the government amend the act and automatically deduct an amount of 10 per cent up to a $500 maximum, because otherwise, it is the people from the more prosperous provinces, enjoying the higher incomes in Canada and living mostly in the provinces of British Columbia and Ontario who would benefit from it and, by the same token, if the government were to carry out the suggestion made by the hon. member for Villeneuve, it would discriminate against the people from Quebec and the maritimes who have a lower average income than those from British Columbia and Ontario. This would be necessary in order to avoid any criticisms.

Often, that is, most of the time, the Department of National Revenue rejects receipts for charitable donations without any explanation.

As far as I am concerned, whenever a constituent submitted his case to me and I made representations on his behalf to the Department of National Revenue, most of the time I got satisfactory replies. But in order to prevent electors from coming to their member's office, which is not normal in such cases, I feel it would be advisable to amend the act and make it more flexible.

I trust that the Minister of Justice will put pressure upon his colleague so that this act will be amended and brought more in line with the best interests of the Canadian people.

It is not normal that hundreds of complaints should be made across the country against the Income Tax Act, especially by people in the low income brackets. I feel some discrimination really exists and that this legislation should be made more flexible in order to comply with the wishes of the population.

There is one thing I cannot tolerate, and I refer to those raids carried out by employees of the income tax division, acting on the instructions of their superiors, upon members of the Canadian clergy. That, I submit, results in weakening the authority of our clergy. It is not normal that income tax employees should be allowed to question the value of our clergy across Canada by submitting them each year to numerous raids and visits on all sorts of pretences.

I think the act or rather some of its provisions should be changed, adapted and made to conform to the requirements of the Canadian people.

Consequently, in view of the numerous complaints made throughout the country, I believe it is the duty of the government to take the necessary steps to correct the flaws existing in that field.

I heard some members on the government side make certain remarks. I would be very pleased if at least one of them would take the floor, after me, and say, according to his conscience, whether he approves of the visits made to presbyteries across the country and is happy to see the disappointment of the working class in regard to the manner in which income tax returns submitted by the Canadian workers are treated. I would be particularly pleased to hear the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis), or the hon. member for Lévis (Mr. Guay) or the hon. member for Lotbinière (Mr. Choquette). If they are really aware of their responsibilities, they will take the floor, after me, to say what they think of the act and make appropriate suggestions to the government so that the latter may implement the promises it made to the Canadian people during the last election campaign.

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, it may happen sometimes that I disagree with the hon. member for Villeneuve (Mr. Caouette) but with regard to the grievance he raised tonight about receipts for charitable donations, I fully agree with him.

In my opinion, that legislation is revolting when you consider how it is applied at the present time. Few acts are more revolting for the people.

All hon. members, at least most of them, are swamped by the protests they receive from their constituents. They spend a lot of time interceding for their electors who are robbed, so to speak, who are done out of money by the Income Tax Act.

What happens is that by applying that act, they want to use their power to distribute the income of those who have more money to those who have less. In fact, it is mostly the poor people who are deprived of their income through that act. When you consider how they proceed, going to rectories, it shows clearly that they suspect the members of the clergy and do not trust those who file their income tax returns. I think that is one of the most preposterous things you can imagine.

In my opinion, it is an unfair method which resembles those used in bolshevist Russia where the police, called the tcheka, broke into homes, or by Hitler's gestapo.

The same thing happens in the way that legislation is applied in this case; there is no difference between the two—a little more tactfulness, in a certain way, may be used—but, in fact, it boils down to the same thing.

It seems that civil servants in charge of administering the Income Tax Act, when it comes to that matter of receipts for charitable donations, go over the minister's head. If I were a minister, I would certainly never allow civil servants to go over my head. I think they would have to go, rather than go over my head.

In my opinion, such an attitude taken by civil servants is the most odious thing one can visualize in a democracy. For me, it is the most astonishing form of abuse of authority in a country such as Canada. It is quite unacceptable and we cannot tolerate such a behaviour in our country.

Besides I have the clear impression that the accounting which is done in an effort to recover some money is more expensive than the amount recovered by cutting the amount shown on receipts for charitable donations. After all, what is the use of so much zeal? What is the purpose of applying coercive methods which, as it were, disgust the people?

I have hundreds of cases in my county to prove that attitude. I went personally to check some cases in rectories where the tax auditor refused to accept the figures shown to him. When one sees such things, one begins to wonder about the country we live in. Sometimes, it seems as if one were being carried away to countries where war was raging not so long ago.

Before concluding, I should like to say that one of the bitterest criticisms the Hon. Mr. Garland, who died recently, had to bear concerns the act we are now dealing with. In fact, I would not be surprised that the Hon. Mr. Garland was so affected by the way that act was applied, that he could not bear the worries it caused him. I am inclined to think that it is one of the main causes of his untimely death. That is why we must take steps to exempt our fellow citizens from a tax equal at least to that claimed in receipts for charitable donations, that is increase exemptions by at least 10 per cent in order to eliminate that coercion overburdening the Canadian taxpayer.

Mr. Georges Valade (St. Mary): Mr. Speaker, I will take only a few minutes of the time of the house to outline my opinion on the point raised by the hon. member for Villeneuve (Mr. Caouette).

I must say at the outset that while agreeing in part with the concern expressed by the hon. member for Villeneuve, I want to make myself clear and say that I do not approve of the demagogy he showed in outlining a problem which should the house consider it, not to make political capital but to rectify a situation which I feel, is absurd and glaringly unfair for a great number of Canadian taxpayers, especially in the province of Quebec.

The hon. member for Villeneuve would have shown more sincerity and practical sense if, a few minutes before explaining his grievance against the government and the Minister of National Revenue, he had voted against and contributed to overthrow the government. He would thus have stressed the importance of his grievance.

Mr. Grégoire: Mr. Speaker, I rise on a point of order. In my opinion the remarks of the hon. member for St. Mary have no bearing on the grievance under consideration which deals with income tax and not with the attitude of the hon. member for Villeneuve. Consequently, if he is sincere and truly wishes to have the act changed, I would ask him to limit himself to the topic under discussion.

Mr. Valade: Mr. Speaker, I feel the hon. member for Lapointe should be the last one to speak of sincerity. Besides, he is not in a position to teach me what to say.

Mr. Grégoire: Mr. Speaker, I feel that the hon. member for St. Mary has made unparliamentary remarks and I rise on a question of privilege. If he challenges my sincerity, I will not hesitate to compare my sincerity with his. I have never been in a situation such as his and his sincerity—

Mr. Deputy Speaker: Order. I do not think we will make much progress on the grievance if hon. members allow themselves to be led astray by comparisons between their respective sincerity; that is highly irregular. I would therefore ask the hon. member for St. Mary to keep to the subject under consideration.

Mr. Valade: Mr. Speaker, on the question of privilege raised by the hon. member for Villeneuve—

Mr. Deputy Speaker: Order. I have ruled that there is no question of privilege and I would suggest that the hon. member limit his remarks to the subject under discussion.

Mr. Valade: Thank you, Mr. Speaker, for pointing out the sincerity of the hon. member for Lapointe.

Mr. Speaker, I was about to say that when a grievance is raised against a minister of the crown or a government, it is not necessary to act in a demagogic way, but to the con-

trary one must be consistent and logical in the attitude that one adopts in the interest of those one represents in the house.

When a member raises a grievance against the government he must take into consideration the fact that through this grievance he is the interpreter of the constituents who sent him here to represent them. Now, if the member is serious and eager to take every means available to him—for instance a vote to topple the government—in short, if he is honest with himself, he will take the necessary steps.

I should like to point out to the house that I think great harm is being done the province of Quebec in that some accounting or contributing systems prevent certain citizens from that province from deducting from their income tax a percentage equal to the one claimed by industrialists and business men in the other provinces.

Now, I agree with the hon. member for Villeneuve in this respect. However I do not wish to limit myself merely to political considerations but I should like to make suggestions to the Minister of National Revenue so that he may take them into consideration in the preparation of his estimates. I am making these suggestions to him, not in a partisan spirit, but to serve the people I represent. Now—

Mr. Caouette: Mr. Speaker, the member for St. Mary has no right to impute ulterior motives. All he has to do is to deliver his speech in an intelligent manner if he has any intelligence; let him stop bothering people and let him make suggestions to the minister and by so doing, he will prove that he is a better man than he has led us to believe from the impression he has made upon the house.

Mr. Deputy Speaker: I do not believe there is any point of order.

Mr. Valade: Mr. Speaker, after listening to the member for Villeneuve, it is rather difficult to discuss anything intelligently.

Now, to return to the suggestions I have to make to the Minister of National Revenue, I would like to ask him if he could not redress the injustice that is being made against the working class who must pay morning and night for travelling from home to the plant and return.

Now, if a worker must pay approximately $150 a year for bus tickets or other means of transportation to go to work—

An hon. Member: Or for lotteries tickets.

Mr. Valade: —I maintain that the government should consider my suggestion and that the workers should be allowed to deduct, in his income tax return, his transportation expenses or a certain amount of expenses, as provided for travelling salesmen or businessmen. The worker should be allowed to deduct from his income tax an amount of approximately $150, which would represent his transportation expenses to and from work.

The minister should also consider that the strictness of the act goes beyond the moral limit. We should abolish the provision which threatens the taxpayer with imprisonment if he makes a false statement in his income tax return. I think that this is immoral—

Some hon. Members: Order.

Mr. Valade: Mr. Speaker, if some hon. members of the Ralliement Créditistes want to remain in the provincial field, I ask them to listen to me.

I think that, by threatening a taxpayer with imprisonment when he is late in filing his return or who makes a false statement therein, a serious prejudice is caused to thousands of human beings.

We should take the example of the courts, where somebody who has incurred some liability, may file a suit, according to civil law. I cannot conceive that the Minister of National Revenue should resort to threats of criminal proceedings against a taxpayer who, for quite understandable reasons has been late in filing his return or failed to give some information required by the Income Tax Act.

I also think that we should come back to a formula highly appreciated in the business field. I am thinking of the method of allowing businessmen to file an interim tax return. We should give those taxpayers a chance to file their final return within 30 days after the interim return has been filed.

Also, in relation to that suggestion, I should like to point out to the house that in the business world when our income tax returns are filed at the end of April, there follows an upsurge of the economic activity, of construction. Contractors and material suppliers face a period of feverish activity. Now, it is practically inconceivable that they should be required to file their income tax return at the end of April, under the threat of imprisonment or legal action, at a time when their business is extremely active.

I think it would be wise to do away with that system and ask the taxpayers to file a final report within the 30 days following their interim return.

Mr. Speaker, I think the government is unfair towards certain Canadian taxpayers. In fact, when certain taxpayers have made overpayments, the federal administration sometimes takes four, five, six and even seven months to pay back that amount and, of course, it is without any interest. But if

taxpayers have not paid the total amount of their income tax on time, they must pay a 6 per cent interest on the balance.

Therefore, I think that if, on account of an inefficient administrative machinery the taxpayers are wronged, since they do not receive, within a very short time, the reimbursement of the income tax overpaid, the government should also pay them interest for that same period. In fact, they should be paid the same interest as is charged taxpayers who have not paid their tax.

Mr. Speaker, I also believe the Income Tax Act contains inconsistencies, and that some of its provisions rather offend Canadian taxpayers.

[*Text*]

Mr. McIlraith: On a point of order, it seems to me that the hon. member has departed from the grievance which was raised by the hon. member for Villeneuve (Mr. Caouette). That grievance had to do with deductions in respect to charitable contributions. The other hon. members who spoke immediately after him also discussed that grievance. The hon. member is now raising a new grievance on related matters. I wonder if he could not stick to the one subject in order that a reply could be made more conveniently.

Mr. Deputy Speaker: The point raised by the minister is well taken. I had hoped that the hon. member for St. Mary (Mr. Valade) would eventually relate his remarks to the specific grievance now before the house, and I now ask him to do so.

Mr. Valade: On the point of order made by the President of the Privy Council (Mr. McIlraith), may I say I agree that the hon. member for Villeneuve did raise a point dealing with one aspect of the administration of the Income Tax Act. But I believe his grievance was concerned with the operational methods used by the department. I do not think it was directed specifically to this one aspect.

Mr. Caouette: Yes.

Mr. Valade: The hon. member for Villeneuve even read letters from some of his constituents to supplement what he said, and I do not think the point of order is well founded because my own remarks relate specifically to the administration of tax collection. I do not know if the minister is right—

[*Translation*]

Mr. Deputy Speaker: Order. I do not think I should amend the decision I made a moment ago to the effect that a specific grievance was referred to the house, and the hon. member should strictly confine himself to the question of charitable donations in connection with income tax returns. Consequently, I would suggest that the hon. member limit his remarks to this subject.

Mr. Valade: I thank you, Mr. Speaker, and, with all due respect for your authority, I am pleased to revert to the grievance raised by the hon. member for Villeneuve and pursued by the hon. member for Joliette-L'Assomption-Montcalm.

This also allows us to note that when we speak about administration the Liberals are quite ill at ease.

As concerns the charitable donation receipts, I believe the Quebec population suffers a flagrant inequity, for in the province of Quebec, Canadian taxpayers perhaps do not understand business administration as in some other provinces.

For instance, merchants, manufacturers and contractors in other Canadian provinces include in their yearly budget a certain amount intended for charitable organizations. Now, these sums of money paid to charitable funds are automatically deducted from income. But the small contractor, the small restaurant operator, every ordinary citizen in his or her daily field, does not keep a record of his charitable donations to the church, leisure organizations or other spheres of public charity.

Now, I am of the opinion that this practice of the present government requiring its officials to refuse or investigate charity receipts given by our parish priests is an injustice, an insult to the Roman Catholic and Protestant clergy, because in my opinion they represent very well two honest denominations.

Mr. Speaker, since I have only four minutes left, I should like the Acting Minister of National Revenue to answer the objections which were made during this debate.

[*Text*]

Hon. G. J. McIlraith (Acting Minister of National Revenue): Mr. Speaker, I see I have been left with four minutes in which to reply to a grievance which hon. members opposite took something over an hour to discuss. In any event, I shall try to deal with it to the extent possible in this extremely limited time.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) made it clear he accepted the proposition that the law as it exists was being administered properly, and that the difficulty lies with the law itself. If that is so, a strong doubt is raised in my mind as to the propriety of raising this subject as a grievance. I say this because the grievance period was intended to allow hon. members to raise grievances against the administration, rather than to provide opportunities for discussing legislation on the statute books or on

the order paper. In the second place if I may give another answer to the hon. member, it is interesting that he should be critical of the present government for not having changed the law, although he did not, as far as I know, raise the matter previously during the period when the government he supported was in office.

Be that as it may, the hon. member for Villeneuve did relate his remarks to the administration of the Income Tax Act as far as it concerns charitable donations. While he used excessive language—quite improper language, in describing employees of the administration; I merely mention this so that I may be on record as rejecting his improper language in this respect—I wish to indicate to the hon. member that, in so far as he raised examples of grievances having to do with the administration, I will go through his remarks tomorrow and direct that the appropriate files be examined in order to see whether or not there is substance in those grievances and, if there is, to have them corrected. The hon. member gave several names by way of example—

Mr. Olson: On a point of order, I have no objection to the minister speaking or, as he said, replying to these grievances which have been raised, but I think there is an important point of order here and one which should be watched very closely. It is this: We may set a precedent and have ministers of the crown using up the time allowed for a grievance period by answering the grievances which have been raised. I think it was only a few days ago that a similar situation arose. A minister of the crown elected to use some of the time allotted to the grievance period, thus taking time away from members of the opposition, and my concern is that this should not become a precedent for the future.

Mr. McIlraith: I will forgo my right to discuss the point of order. We undoubtedly have the right to reply.

The point I wish to make in the few moments I have left is that in so far as the hon. member's remarks did pertain to this aspect of the act, I will carefully examine them myself and have the points he raised considered in relation to the cases he mentioned.

In the course of some further remarks, the hon. member advocated changes in the legislation. I think that either he misunderstood the law itself, or he was imprecise and inaccurate in stating what the law is. It provides that only the actual charitable contributions are allowable by way of reduction, and then only up to 10 per cent. The principle is not that 10 per cent is allowed.

Some hon. Members: Ten o'clock.

[Mr. McIlraith.]

Mr. McIlraith: I see my time has expired and I must desist.

Mr. Deputy Speaker: Order. Is the house ready for the question? Is it the pleasure of the house to adopt the motion?

Mr. Churchill: On division.

Motion agreed to and the house went into committee, Mr. Lamoureux in the chair.

The estimates of the following departments were first taken up and entered for consideration.

INDUSTRY

1. Departmental administration, including grants as detailed in the estimates, $4,677,100.

POST OFFICE DEPARTMENT

1. Postal services including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $208,861,000.

TRANSPORT

1. Departmental administration (including the former vote for the operation and maintenance of official railway cars), $3,773,800.

Proceedings reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the house leader whether he would record on *Hansard* the business for Wednesday, Thursday and Friday.

Mr. Favreau: Mr. Speaker, beginning tomorrow we will take the Estate Tax Act resolution. The second order of business will be second reading of the Customs Tariff bill. Then in the field of legislation we will take the resolution to appoint the special committee on defence, after which we will proceed with the second reading of the bill to amend the National Defence Act. Then we will take the resolution introducing a bill to authorize certain crown corporations to pay certain provincial fees and taxes, after which we will be dealing with the resolution introducing the bill to amend the Exchequer Court Act. We intend to take these legislative measures one after the other until each has been finally proceeded with, the only interruption being on Thursday when we will deal with the estimates of the Department of Agriculture.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

TRANS-CANADA HIGHWAY, MONTREAL—INQUIRY AS TO CHANGE OF ROUTE

[*Translation*]

Mr. Speaker: Order. According to provisory standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore, the question is that the house adjourn. The Chair recognizes the hon. member for Joliette-L'Assomption-Montcalm.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have put this question many times to the Minister of Public Works to give him an opportunity to answer it. I know the minister is dedicated to the public interest, that he is a hard working and conscientious man who, unfortunately, belongs to the wrong party, but I know he is working in the interest, not only of eastern Montreal constituents, but also of the Canadian people as a whole.

I for one was satisfied with the speech he delivered on the administration of the Department of Public Works. If I refer to *La Presse* for April 20, 1964, I read an article entitled:

Deschatelets will resign from the cabinet and the federal government if his desires are not met.

Mr. Habel: Do you take the responsibility for it?

Mr. Pigeon: Which?

Mr. Habel: Of what you read.

Mr. Pigeon: I read the article written by a distinguished journalist, Mr. Luc Beauregard of *La Presse* and I will leave to the minister the opportunity of telling whether I am wrong in reading such an article.

Surrounded by sobbing women and men cursing politics, the Minister of Public Works of Canada, Mr. Jean Paul Deschatelets stated last evening that he would put his career at stake to satisfy the claims of the constituents of Hochelaga and Maisonneuve: "If nothing is done after a first request addressed to the government of which I am a member, I will resign", said the minister.

It was at the end of a meeting, that was lively, and even dramatic at times, that Mr. Deschatelets emphasized that he was ready to assist the people of eastern Montreal at all costs, even at the expense of his own career—

The same article further reads as follows:

Trans-Canada highway—The minister has emphatically promised he would refuse to sign any plan for a future trans-Canada highway which would not pass exactly where the C.N.R. tracks stand at present. He intends to set up a committee with his colleague, as soon as possible,—

Mr. Speaker, I should like to ask the minister whether he has made or intends to make appropriate representations to the Quebec department of highways so that the trans-Canada highway route be changed to bring satisfaction and grant a fair treatment to the people of eastern Montreal.

The minister is aware of the inconveniences resulting from the Canadian National railway track: some disastrous accidents have occurred and the people of this important Montreal area whom the minister is representing are complaining because the trans-Canada highway is once again dividing that part of eastern Montreal. This is not only a disadvantage for workers who will have to cross the trans-Canada highway, but also a serious danger for children going to school, etc.

I know that the minister was in a position to appreciate the concern of the people of eastern Montreal when he attended the meeting. I wish to tell him that I admire him very much for the firmness which he showed when he made his formal promise. He was ready, Mr. Speaker, to give up his political and public career if he did not succeed in convincing the C.N.R. president to remove that track and if he was not successful in convincing the provincial minister of highways to change the lay-out of the trans-Canada highway in the eastern part of Montreal so as to give satisfaction to the people living in that important section.

I know that the minister has important duties to carry out. It is not up to the federal government to decide on the lay-out of the trans-Canada highway, because it is rather a provincial responsibility, but I should like to know whether the minister succeeded in convincing the provincial minister of highways of the necessity to change this lay-out in order to do justice to the population of the eastern section of Montreal.

Mr. Speaker, I would ask you to allow the minister, in addition to the three minutes to which he is entitled, the time I did not use.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I must say first of all that the preliminary remarks of my hon. friend from Joliette-l'Assomption-Montcalm reminded me of the old saying: "I fear the Greeks even when they bring gifts". I must say, following this statement, that the trans-Canada highway going through the city of Montreal is one of the greatest projects of this government, a project which should have been planned and carried through in the last six years. It was not done, but we are very pleased to associate ourselves with this great venture.

Therefore, there will be an expressway by-passing the city of Montreal which will have nothing then to envy any other city on the North American continent.

Plans for that expressway which will start from a certain point on the Metropolitan

boulevard, at Decarie boulevard, will go south then towards the east end of Montreal, parallel with the Montreal harbour up to Papineau street, those plans, as I said earlier, have been drawn up, approved and registered.

This means that, from Papineau street to the east end of Montreal, plans have not yet been drawn up by the provincial government. But I must say to my hon. friend that it is quite in order for the Quebec government, in this case, to prepare plans. However, they must be submitted for our approval, because the federal government is committed to pay 90 per cent of construction costs of two lanes, after approval of the plans of course.

That does not apply only to the province of Quebec. It has been done in all the other provinces in the last 10 years.

Now, my hon. friend mentions a newspaper article. In that respect, I must tell him that unlike what happened with regard to several of my former colleagues, I have nothing to delete from that article which gives a good picture of what took place.

With regard to a commitment I would have made, I want him to feel at ease and I tell him that when a man of honour makes a commitment, there is no need to remind him about it.

I got in touch with the provincial minister of highways, Hon. Mr. Pinard, about two weeks ago concerning the plans for that expressway in the east end of Montreal. No final decision has yet been made concerning these plans. I must tell my hon. friend that the original plans provided that this expressway would follow the lay-out of the old railroad in eastern Montreal, which goes as far as Moreau station. It is that old railroad that I would like to see removed.

I said to the provincial minister of highways that I hoped it would be possible to provide in eastern Montreal for an expressway in eastern Montreal that would not only run parallel but follow the lay-out of that railroad coming from Montreal east to Moreau station, and which would allow the removal of tracks which have become a public nuisance in eastern Montreal. It would also allow the city of Montreal to undertake urban redevelopment in an old part of the city where it is needed.

Mr. Speaker: Order. I regret to interrupt the minister but his time is over.

[*Text*]

LABOUR CONDITIONS—AMHERST, N.S.—ACTION TO OFFSET PENDING LAY-OFFS

Mr. Speaker: The hon. member for Cumberland on the question of lay-offs at Enamel and Heating Products Limited, Amherst, Nova Scotia.

[Mr. Deschatelets.]

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I pose this question to the Minister of Industry (Mr. Drury) in an effort to secure information regarding the lay-offs that have been effected at Enamel and Heating Products Limited plant at Amherst, Nova Scotia, in relation to aircraft component overhaul and repair work. My reason for posing the question is the concern felt both in the town of Amherst and in the constituency of Cumberland regarding the future of this plant and its operations.

The plant in question has been carrying out aircraft work for many years and has, among other things, secured a great deal of work from United States firms on a production sharing basis. The work in question, I understand, totals approximately 75 per cent or more of the total work load in the aircraft plant. The problem facing the plant is that there is not a sufficient amount of overhaul and repair work on aircraft components to keep the plant in operation at a production cost which would allow them to fulfil the obligations they have undertaken with United States firms.

The problem here relates to production costs. When the officials of Enamel and Heating Products Limited accepted the contracts from United States firms they accepted them on the basis of a certain production cost that was available to them as a result of the employment in their plant. As a consequence of the depletion of overhaul and repair work their work force has declined and their production costs have increased. If no new work is made available to the plant through the Department of Defence Production, then there is every cause for concern about the future operations of the plant. It could well mean that they could not meet the commitments they have made to these United States firms because of spiraling production costs. This could mean the closure of the plant and a very serious economic blow to the economy of both the town of Amherst and the county of Cumberland, in view of the fact that the employment does not come from the town of Amherst alone but is spread throughout the county of Cumberland.

I appreciate the fact that the Minister of Industry has a problem here. He is operating on a much smaller budget than was the case when this company accepted the contracts from United States firms and anticipated a future workload from overhaul and repair work. At the same time, I think the minister will recognize that this company has done a tremendous job, a really remarkable job of going into the United States on their own and securing a substantial amount of work from United States companies. The

company has had a history of efficient operation, a history of efficient work indicating to the United States firms that they could do the work in an efficient manner and provide them with the type of aircraft components that the company promised it would produce when the contracts were accepted. In view of this, it is my hope the minister will be able to indicate, both to the employees who have been laid off and the residents of the county of Cumberland, that action will be taken through his department that will eliminate the concern that is now very evident in my constituency.

I want to say that the Minister of Industry has been sympathetic to the problem of this firm. However, it is my hope we will be able to secure something more than sympathy because I would not want to think there was nothing else available to my constituents in the days ahead. I feel that if the minister can indicate he is taking the type of action that will put these men back to work, we will eliminate the concern in the minds of my constituents generally that I want to see eliminated, if that is at all possible.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the facts as outlined by the hon. member are substantially correct. The Department of Industry and the Department of Defence Production have been concerned over the past few months about the problem which has been outlined by the hon. member for Cumberland (Mr. Coates). There have been continuing, and there are still continuing, discussions with the firm with a view to alleviating to the greatest extent possible their problems. The fact of the matter is, however, as the hon. member for Cumberland has pointed out, the number of aircraft both by types and in total numbers required to be repaired and overhauled by the Royal Canadian Air Force has declined very substantially.

Over the past few years, as a consequence, there has been a need for considerably less in the way of repair and overhaul facilities in the aircraft industry generally than had been the case in the past. There has had to be, as a consequence, a shrinkage of Department of Defence Production orders. Seeing this coming, the Department of Defence Production has encouraged aircraft overhaul organizations to seek production sharing work and has been prepared, and has in fact, provided considerable assistance, to firms in securing contracts on a competitive basis with United States firms.

As the hon. member for Cumberland has pointed out, Enamel and Heating Products Limited have been more than usually successful in this particular regard. In this field they are one of the more enterprising and more successful companies. The Department of Defence Production has been concerned to see that the base from which they make their competitive bids in the United States will continue in operation, this base being provided by contracts from the Department of Defence Production for overhaul and repair of R.C.A.F. aircraft.

I am glad to be able to tell the hon. member that agreement has been reached with the company on what I think is a workable arrangement, a workable and practicable level of work which will enable them successfully to carry out the contracts in the United States.

LABOUR CONDITIONS—INQUIRY AS TO STEPS TO DEAL WITH UNEMPLOYMENT

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, last Monday's newspapers carried an account of the conference held on Sunday in Montreal, before a Jewish organization which provides assistance to immigrants, by the economist within the cabinet. Allow me to quote one of those reports:

> Mr. René Tremblay stated that far from taking jobs away from Canadians, qualified immigrants create employment for less specialized labour.

I am sure that the minister must have gone over what he said over the week end and even though we have nothing against selective immigration, that is precisely what led me to put the following question to the minister yesterday:

> During the week end, the minister said that Canada and the province of Quebec would need several thousand immigrants to ensure Canada's economic development. Now, could the minister, whose competence as an economist is well-known in certain quarters—not everywhere, but in certain quarters only—tell us what measures he intends to take so that our 500,000 unemployed may find suitable employment that will permit Canada's economic development?

I know that the minister is going to tell me as he did in Montreal, that we need highly educated people and recognized technicians, that we can no longer look to Europe for those people, since Europe needs all its technicians, and that we must look to other parts of the world, such as Asia, India, China or Japan.

During the week end, I was in Thetford Mines, where about 600 or 650 Canadians will be dismissed from work within 60 days. Yet, they are people with 20 to 25 years' experience in mines and they do not know where to turn if they lose their job in Thetford Mines.

The same thing happened a few years ago in Elliot Lake where hundreds of Canadians lost their jobs. Remember that a

man with 20 or 25 years' experience in mines must certainly be a technician in his field, he must certainly know the work he is performing and must certainly be capable of doing something in that field. He is a technician or a mechanical worker or some other thing.

Now, why did the minister tell the Jewish association for aid to immigrants that there is an unquestionable need for immigrants in Canada, whereas, in the province of Quebec alone we have 240,000 jobless people and from 500,000 to 550,000 in the whole of Canada. And those are the officially unemployed, without counting the unofficial ones. Now, we are told that we should have more educated people. There probably will be educated instead of uneducated people without jobs.

I would like to draw the hon. minister's attention to a very important point.

At a time when he, an economist from Quebec in the federal cabinet, talks to us about that immigration that would spur the country's economic expansion, we read in yesterday's Montreal *Star*:

Automation effects studied.

That appeared yesterday in the Montreal *Star*. It can be said knowingly that automation will have the same effects here in Canada as in the United states, where it is claimed that 40,000 jobs disappear every week, whereas a tremendous number of young people come on the labour market. That is when Mr. Snyder, Jr., president of United Industries Incorporated, a large U.S. corporation, tells us that the government will have to take drastic and radical steps to meet the situation.

Now, the minister who is also an economist in the federal cabinet, tells us that immigration will not prevent the creation of jobs, when automation is throwing more and more people out onto the streets.

The minister might say that I am making a statement, but I am asking this question: How does he expect to solve the unemployment problem in Canada, by encouraging an immigration policy as he suggested in Montreal during the week end?

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, first, I must correct the statement of the hon. member for Villeneuve, who said that there are now more than 500,000 unemployed in Canada. He even quoted the figure of 550,000 jobless.

May I remind him that the last figures published by the Minister of Labour are 400,000 and not 500,000 or 550,000.

Mr. Grégoire: Those are the unemployed who receive benefits.

[Mr. Caouette.]

Mr. Tremblay: Then if we take the standard advocated by the hon. member for Lapointe, a real expert in the field of statistics, any figure can be used.

Mr. Grégoire: In our statistics, we do not forget anybody.

Mr. Tremblay: Besides, it would take more than three minutes to answer such a question. Nevertheless, I should like to point out that unemployment is a very serious problem in Canada and one which will never be solved by doing away with immigration. On the contrary, positive and progressive steps such as the ones taken by the present government will succeed in dealing with unemployment.

An hon. Member: Which steps?

Mr. Tremblay: Those designed to boost the economy in certain under developed regions, to increase the building of homes, to promote the growth of new industries. All those steps will gradually increase employment and reduce unemployment.

Last month there were 93,000 fewer unemployed than the corresponding month last year—

An hon. Member: Those are not the same statistics.

Mr. Tremblay: —consequently, there has been an upsurge in the economy. It is by positive action, not by closing our doors to immigration, that we will solve the problem of unemployment.

I should like to point out to the hon. member for Villeneuve that there is no question of bringing in all kinds of immigrants. What we are considering is selective immigration, which means the entry of contractors, technicians and other workers who can easily be absorbed into our economy. It must be remembered that while there are thousands of unemployed in Canada, there is a shortage of labour in some areas of the country.

Mr. Grégoire: Name them.

Mr. Tremblay: It is precisely by means of a selective immigration instead of restrictions being imposed to the economic activity that we shall be able to increase our prosperity.

Mr. Grégoire: We entirely disagree with that.

Mr. Tremblay: Therefore, I believe that an aggressive and dynamic immigration policy, provided it is sensible and selective, will be likely in the long run to bring about an increase in the economic activity and a more rational development of our natural resources.

That is what happened in the United States and in every country which enjoyed prosperity resulting from a large increase in population. Whether this increase is due to normal growth or to the excess of immigrants over emigrants, or to any other basic factor, it is admitted everywhere in the world that an increase in population means an increase in national revenue and prosperity of a country, and it is because we want our country to be more prosperous that we want to attract those immigrants over here.

We want to develop our resources systematically where they exist and if immigrants can help us to do it, they and their children will benefit by the prosperity which we will all have created together.

Mr. Grégoire: Pure sophism.

[*Text*]

Motion agreed to and the house adjourned at 10.34 p.m.

HOUSE OF COMMONS

Wednesday, May 6, 1964

The house met at 2.30 p.m.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

LOANS TO STUDENTS

Question No. 135—**Mr. Pascoe:**

1. With reference to the plan to provide interest free loans to university students, when will a graduate student be expected to begin repayment of such loan?
2. Will recipients of such loans be required to make interest payments after graduation and, if so, when will such payments begin?

Mr. Benson: 1 and 2. This is a matter of government policy which will be announced when the legislation is introduced in the house in the near future.

TARIFF BOARD RULING ON EDIBLE OILS

Question No. 150—**Mr. Danforth:**

Has the tariff board made a ruling on the representations of the Ontario soya bean board and other interested parties in respect to the increase in Canadian tariff on edible oils entering this country and, if so, what was that ruling?

Mr. Benson: The tariff board has heard representations on the Canadian customs tariff on edible oils; its report has not yet been received by the Minister of Finance.

* BANK OF CANADA—FOREIGN CURRENCY CONVERTED INTO GOLD

Question No. 184—**Mr. Côté (Chicoutimi):**

1. What is the aggregate amount of foreign currency convertible into gold upon demand, held or accepted by the Bank of Canada as a result of exports, which has actually been converted into gold during the last five years?
2. From what countries did the currency come?

Mr. Benson: 1. Canada's reserves of gold and foreign exchange are not held by the Bank of Canada for its own account. They are held by the Bank of Canada for the Minister of Finance in the exchange fund account. Generally speaking all official purchases and sales of gold and foreign exchange are made through this account.

Over the five years to December 31, 1963, the exchange fund account purchased U.S. $40.7 million worth of gold for which payment was made in foreign convertible currency.

2. Apart from small working balances held in a variety of currencies, Canada's receipts of foreign exchange from whatever source are converted into gold or U.S. dollars. For this reason, although the gold purchase mentioned in 1 was paid for in U.S. dollars, it is impossible to attribute the currency used in that payment to a particular transaction with a particular country.

C.N.R. CAR SHOPS, MONTREAL

Question No. 188—**Mr. Millar:**

1. How many shifts presently are being worked in the Montreal car shops of the C.N.R.?
2. How many shifts were employed there (a) in 1954 (b) in 1958 (c) in 1960?
3. What was the wage bill for overtime, if any, paid in each of these years and in 1964 to date?
4. What was the reason for the increased work load if any, in each of these years and in 1964 to date?
5. How many employees were engaged on each shift during each of these stated years and during 1964 to date?

Mr. Pickersgill: The management of Canadian National Railways advises as follows:

1. Three per day.
2. (a) (b) and (c) three per day.
3. For 1954, 1958 and 1960 negligible (approximately 0.6 per cent). For 1964 thus far nil.
4. No increase.
5.

Year	Total employees
1954	1,476
1958	1,334
1960	1,300
1964 to date	1,200

Number of employees per shift varies, but has remained at approximately 83 per cent first shift, 12 per cent second shift and 5 per cent third shift each year.

C.N.R. CAR SHOPS, LONDON, ONT.

Question No. 189—**Mr. Millar:**

1. What is the C.N.R.'s estimated investment in car shop machinery and buildings in London?
2. What is the C.N.R.'s estimated over-all investment in plant and machinery at London?
3. What has been the C.N.R.'s capital outlay (a) for new buildings (b) for new machinery, at Montreal car shops since 1954?
4. What was involved in such expenditure for each of the years since 1954 to date?

Mr. Pickersgill: The management of Canadian National Railways advises as follows:

1. $1,390,000 depreciated to scrap value.
2. Answered by No. 1.
3. (a) $832,000; (b) $117,800.

Questions

4. The expenditures covered the construction of a grit blast plant, a dry kiln, lubricator reclamation building, welding equipment, tanks, journal bearing machines and various small units of machinery for the shops.

C.N.R. CAR SHOPS, LONDON—DATE OF CLOSING

Question No. 190—**Mr. Millar:**

1. What is the latest target date of the C.N.R. management for closing down the car shops at London?
2. What new employment opportunities does the C.N.R. envisage for London car shop employees facing unemployment?
3. What additional job prospects are there for displaced London employees (a) at Montreal (b) at the new Toronto hump yard and when are such prospects likely to materialize?
4. What assistance, if any, does C.N.R. management extend to displaced employees in effecting the transfer of families or household furnishings to such jobs elsewhere?

Mr. Pickersgill: The management of Canadian National Railways advises as follows:

1. By July 1966.

2. Where applicable, employees may exercise their seniority rights and the railway will make every effort to find alternate employment for men who may be affected.

3. Job prospects at Montreal will be available with transfer of work. The prospects at the new Toronto hump yard will be available in the spring of 1965.

4. The company has offered the employees who will go with the transfer of work their pay while moving and out of pocket expenses covering meals, berths, and a free freight order on the movement of their household goods.

C.N.R. CAR SHOP PAYROLL, LONDON, ONT.

Question No. 205—**Mr. Irvine:**

1. What was the estimated payroll of car shop, employees of the Canadian National Railways, London, Ontario, before the decision to shift London work and personnel to Montreal?
2. What have been the successive reductions in the London car shop payroll as work and personnel were transferred to Montreal?

Mr. Pickersgill: The management of Canadian National Railways advises as follows:

1. $180,000 per month.
2. One reduction, $63,000 per month.

C.N.R. CAR SHOPS, LONDON, ONT.—REASONS FOR TRANSFER

Question No. 206—**Mr. Irvine:**

1. Was the decision of the Canadian National Railways management to transfer car shop operations from London to Montreal based upon actual dollar estimate of economies to be effected and, if not, what dictated the decision?
2. If there were such an estimate, what was the actual figure so computed?
3. What was the per unit cost of the work being done in London, Ontario, before the transfer decision was made?

[Mr. Pickersgill.]

4. What was the per unit cost of the work being done in Montreal (a) in 1958 (b) in 1960 and (c) in 1964?
5. What yardstick does the Canadian National Railways use in compiling per unit cost and what are the cost components?
6. In computing present per unit costs at London, Ontario, has allowance been made for the fact that overhead costs remain virtually constant although work-force and work load have been reduced?

Mr. Pickersgill: The management of Canadian National Railways advises as follows:

1. Yes.

2. $900,000 per year. Excess repair capacity exists on C.N.R. system. Savings based on elimination of administrative and overhead expenses.

3. Not applicable.

4. (a), (b) and (c), not applicable. Unit costs vary with class and type of work, and not directly comparable between shops.

5. Standard cost accounting methods. Direct labour and material.

6. See answer to 5.

C.N.R. CAR SHOPS, LONDON, ONT.—TRANSFER OF WORK AND EMPLOYEES

Question No. 207—**Mr. Irvine:**

1. When did the Canadian National Railways management first decide to remove car shop repair work from London, Ontario, to Montreal?
2. Was this a decision to phase out and ultimately cease such work at London and, if so (a) what was the timetable (b) how many such stages have been completed, and (c) to what extent was the work at London reduced at each stage?
3. How many C.N.R. car shop personnel were employed at London before any shift to Montreal began and how has this work force been reduced by successive work transfer to Montreal?
4. What is the present strength of Canadian National Railways car shop personnel at London?
5. How many employees actually have been transferred (a) to Montreal (b) to other railway centres?
6. How many refused to leave London and of these how many have been given other employment within the Canadian National Railways?

Mr. Pickersgill: The management of Canadian National Railways advises as follows:

1. 1958.

2. Yes. (a) Passenger repairs in 1960; freight repairs in 1966. (b) One. (c) $63,000 per month.

3. 497.

4. 271.

5. (a) 38, (b) 31.

6. 48 and 25.

* COMMITTEE ON SCIENTIFIC RESEARCH

Question No. 353—**Mr. Orlikow:**

Is the government giving consideration to the establishment of a parliamentary committee on scientific research (like the committee on defence) which could hear representations from government departments involved in research, the national research council, the universities, and organizations such as the Canadian Association of Physicists, the Chemical Institute of Canada, the Engineering

Institute of Canada, the Canadian Medical Association, the Canadian mathematical congress, the Canadian Federation of Biological Societies, and the Royal Society of Canada, as to what program of scientific research is required in Canada in order to develop a program adequate to meet Canada's needs in this technological age?

Mr. Davis: The government has considered the advisability of establishing a parliamentary committee on scientific research. However, it is now of the view that such a committee could more usefully be set up when the scientific secretariat, now being organized in the privy council office, has had an opportunity to assemble and analyse the necessary information regarding government and other research activities in this country.

*SALES TAX ON STEEL RULE CUTTING AND CREASING DIES

Question No. 645—**Mr. Irvine:**

1. Did the Prime Minister and the Minister of Finance receive pre-budget representations from the Canadian paper box manufacturing association asking for removal of the sales tax on steel rule cutting and creasing dies?
2. What consideration was given to these representations in light of the fact that these dies are short-lived and quickly scrapped?
3. What are the reasons for retaining the sales tax on these dies in such a highly competitive industry?

Mr. MacNaught: 1. Yes.

2. This representation and many others were carefully considered during the preparation of the budget.

3. The decision was reached, as announced in the budget speech, not to recommend any changes in the Excise Tax Act this year.

INTEREST ON NATIONAL DEBT

Question No. 772—**Mr. Watson (Assiniboia):**

What was the total amount of interest paid on Canada's national debt in the year 1963 and, of this amount, how much was paid to what banks and companies?

Mr. Benson: Total amount of interest paid on Canada's national debt in the calendar year 1963 was $623,707,577.16. No information is available as to what corporations and individuals own coupon bonds. It is not in the public interest to reveal to whom interest is paid on fully registered bonds.

CONSUMER PRICE INDEX

Question No. 775—**Mr. Crouse:**

1. Is the consumer price index, which at the beginning of March was 134.6, the highest in this nation's history?
2. Does the government consider present economic conditions in Canada to be of an inflationary nature and, if so, are any measures to be adopted to control such inflation?

Mr. Benson: 1. Yes.

2. (a) No. (b) Answered by 2(a).

*ADDITIONAL ASSISTANCE FOR ESKIMOS AND INDIANS IN LABRADOR

Question No. 783—**Mr. Granger:**

1. Between June 21, 1957, and April 22, 1963, did the Minister of Citizenship and Immigration receive any communication requesting additional federal assistance for the Indians and/or Eskimos in Labrador and, if so, on what dates?
2. What reply was given to any such request for assistance?

Mr. Badanai: 1. Yes. Departmental files contain copies of letters dated March 26, 1959, April 14, 1959, October 6, 1959, October 23, 1959, December 29, 1960, March 16, 1961, June 1, 1961, October 3, 1961, March 23, 1962, and May 17, 1962.

2. The replies indicated that this matter was under consideration.

EASTERN D.E.W. LINE SUPPLY CONTRACT

Question No. 798—**Mr. Nugent:**

Is the contract for D.E.W. line supply for the eastern Arctic sector negotiated or tendered?

Mr. Pickersgill: Originally, public tenders were called on a several year basis. On the completion of some of these contracts extensions were negotiated particularly for ice strengthened vessels. The balance of shipping required is done on an annual tender call basis.

SECOND FERRY DOCK, BORDEN, P.E.I.

Question No. 823—**Mr. Macquarrie:**

1. When is the expected completion date for the second dock at the ferry terminal at Borden, Prince Edward Island?
2. What was the original target date for completion and, when was the project commenced?
3. What factors caused the delay in construction?
4. What is the estimated cost of the project?
5. What amount has so far been expended?
6. How many regular crossings per day will be made by the M.V. *Confederation* during the summer season of 1964?
7. When is the M.V. *Abegweit* expected to return to service?

Mr. Deschatelets: 1. About June 20, 1964.

2. Specified completion date, June 5, 1964. (work commenced May 2, 1963)

3. A considerable quantity of the steel sheet piling delivered for use in this work was damaged during shipment to site and reorder of this material was necessary. Poor construction weather also delayed the work.

4. Estimated cost $1,221,510.

5. Expenditure to date $547,199.01.

6. The MV *Confederation* will make seven daily trips each way during the summer season of 1964.

7. The end of May 1964.

*APARTHEID—STATEMENT BY MR. WESTON

Question No. 837—**Mr. Knowles:**

1. Has the attention of the Prime Minister been called to remarks in defence of South Africa's

policy of apartheid reportedly made by Mr. W. Garfield Weston of George Weston Limited of Toronto?

2. Is the government examining the question of government purchases from this company?

Mr. Davis: 1. Yes.

2. No.

DREDGE 116 AND TUG "HERCULES"

Question No. 846—**Mr. McBain:**

1. On what date was dredge 116 and the tug *Hercules* as well as other equipment in this connection turned over by the Department of Public Works to Crown Assets Disposal Corporation for disposal purposes?

2. Were tenders called by Crown Assets Disposal Corporation on (a) the tug *Hercules* (b) dredge 116?

3. What were the names and addresses of the persons or firms tendering on the above, who were the successful tenderers, and on what prices were their tenders accepted?

4. Was dredge 116 sold to be scrapped, or will it be used in dredging operations by its new owner?

5. Will dredge 116 be replaced by new equipment owned by public works?

Mr. Drury: 1. January 10, 1964.

2. (a) Yes; (b) yes.

3. Tug *Hercules*:

The successful firm tendering was: Verreault Navigation Inc., Les. Mechins, Cte. Matane, Que., $3,350.

The following also submitted tenders: Lee Marine Ltd., Leeland Gardens, Port Lambton, Ontario; Courageous Sailing Club, per E. J. Harten, 584 Cayley Drive, London, Ontario; Marine Salvage Ltd., 170 Welland Street, Port Colborne, Ont.; F. McMillan, R.R. No. 2, Port Lambton, Ont.

Dredge 116:

The successful firm tendering was: Verreault Navigation Inc., Les. Mechins, Cte. Matane, Que., $6,550.

The following also submitted tenders: Lee Marine Ltd., Leeland Gardens, Port Lambton, Ont.; The J. P. Porter Co. Ltd., 806 Dominion Sq. Bldg., Montreal; Marine Salvage Ltd., 170 Welland St., Port Colborne, Ont.

4. The sale was made without condition and the use to be made by its new owner is not known.

5. The answer of the Minister of Public Works in so far as this part of the question is concerned is no.

STRENGTH OF ARMED FORCES

Question No. 847—**Mr. MacRae:**

1. What was the total strength of the navy, army, and R.C.A.F. at March 31, 1964?

2. What is the target date for complete integration of the armed forces?

3. What is the estimated strength of the armed forces when integration is complete?

Mr. Hellyer: 1. 120,781.

2. Three to four years.

[Mr. Knowles.]

3. It is not possible at this time to anticipate the total personnel strength of the armed forces when integration is completed. For interim planning purposes a reduction of 10,000 has been set.

DEFENCE DEPARTMENT SCHOOLS OVERSEAS

Question No. 849—**Mr. Enns:**

1. How are appointments made to D.N.D. schools overseas?

2. What province's curriculum is followed in these schools?

3. Are teachers from that province given preference in the D.N.D. schools overseas?

4. How many D.N.D. schools are there (a) in Europe (b) in other countries?

5. How many principals have been appointed in the last ten years, and in which province were they employed prior to their overseas appointment?

Mr. Cardin: 1. Principals, teachers, inspectors and superintendents are obtained for D.N.D. schools overseas through the co-operation of many school boards across Canada.

2. From kindergarten to grade 6 a composite curriculum derived from all provincial courses is used in order to minimize the difficulties involved in the movement of personnel from various provinces of Canada to overseas schools and on return to Canada. From grade 7 to 13 the province of Ontario curriculum is followed so that pupils can qualify for the certificates and diplomas granted by the Ontario department of education to those who successfully complete the examinations while overseas.

3. Other factors being equal preference is given to Ontario teachers assigned to academic teaching at the grade 11, 12 and 13 level. Previous experience in preparing pupils to write the annual examinations set by the Ontario department of education for these grade levels has proved to be an important factor in maintaining a consistently high percentage of successful papers written by students in the D.N.D. schools overseas. For all other grade levels and vocational assignments at any level there is no provincial preference governing selection of the teaching staff.

4. (a) 21 in Europe; (b) 93 in Canada.

5.

Nova Scotia	3
Quebec	5
Ontario	28
Manitoba	5
Saskatchewan	8
Alberta	8
British Columbia	22
Yukon	1
Northwest Territories	1
Total	81

PROPOSED REDUCTION IN STRENGTH, ARMED FORCES

Question No. 852—**Mr. MacRae:**

1. What is the estimated reduction of personnel in the R.C.A.F. as a result of the proposed integration of the armed forces?
2. What is the estimated reduction of personnel in the navy as a result of the proposed integration of the armed forces?
3. What is the estimated reduction of personnel in the army as a result of the proposed integration of the armed forces?

Mr. Hellyer: 1, 2 and 3. It is not possible at this time to anticipate the total personnel strength of the armed forces when integration is completed. An interim planning figure of a reduction of 10,000 has been set but this has not been broken down by navy, army and air force.

CHARTERED BANK PROFITS

Question No. 853—**Mr. Dionne:**

What were the gross and net profits of Canadian chartered banks in each of the years 1960, 1961, 1962, and 1963?

[*Translation*]

Answer: This information for the undernoted fiscal years of the banks was laid before parliament on the following dates: 1960, February 10, 1961; 1961, February 9, 1962; 1962, January 21, 1963; 1963, February 18, 1964.

It also appears at page 83 of the February 1964 issue of the Bank of Canada statistical summary.

[*Text*]

REDUCTION OF CIVILIAN PERSONNEL, DEFENCE DEPARTMENT

Question No. 855—**Mr. MacRae:**

What is the estimated reduction of civilian personnel in the Department of National Defence as a result of integration of the armed forces?

Mr. Hellyer: It is not possible at this time to anticipate the total estimated strength of civilian personnel in the Department of National Defence when integration of the armed forces is completed.

COST OF LAND FOR HOUSING PROJECT, MALVERN, ONT.

Question No. 858—**Mr. Brewin:**

1. What was the cost to the government of Canada and to the province of Ontario of the acquisition in 1953 of farm lands in the township of Scarborough in the neighbourhood of Malvern under a joint housing development program?
2. What was the total sum of money paid out to farmers who owned the lands expropriated for the purpose?
3. What housing developments, if any, have taken place under the project?
4. What is the present use of the land?
5. What has been the cost in interest and otherwise of the lands and what receipts have the government of Canada or the province of Ontario secured from the expropriated lands?
6. Have any of the lands expropriated under the program been sold and at what prices?
7. If no serious development has taken place or is contemplated in the near future, what do the government of Canada and the government of Ontario propose to do with the lands in question?

Mr. Nicholson: 1. $2,396,223, including legal, survey and sundry charges.

2. $2,001,420, excluding voluntary purchases.

3. The lands have not yet been developed.

4. Approximately 1,600 acres are rented for farming purposes. The remainder is not being used at the present time.

5. Accrued interest to March 31, 1964, $765,070. Legal survey and sundry charges, $77,411. This amount is included in the answer to 1. above. Net recovery from rental of land and buildings, $93,401.

6. The following parcels of land of the total acreage acquired have been sold: board of education, township of Scarborough, 6.028 acres, $15,070; the metro Toronto and regional conservation authority, 5.752 acres, $1.

In addition, lease-purchase agreements have been signed as follows: Canadian Pacific Railway, 1.443 acres, $3,607, Consumers Gas Company, .286 acres, $1,000.

7. It is intended to make this land available for urban development as soon as the necessary municipal trunk services reach the area. Plans for a comprehensive neighbourhood will be prepared at the appropriate time. Land will be set aside for community facilities and for public housing projects to accommodate families of low income.

ST. SIMÉON, QUE.—MAIL CONTRACT

Question No. 876—**Mr. Bélanger:**

1. Who has the contract for carrying mail from the landing stage on the wharf at St. Siméon to the St. Siméon post office?
2. What compensation is paid in respect of this contract?

[*Translation*]

Mr. Nicholson: 1. Mrs. Léopold Lapointe.

2. $1 per trip (about $81 per year).

[*Text*]

SUBSIDIES TO CLARKE STEAMSHIPS LTD.

Question No. 878—**Mr. Bélanger:**

1. Does Clarke Steamships Ltd. receive government subsidies for its operations?
2. If so, what is the total amount of the subsidies, and what is the amount of each category?

[*Translation*]

Answer: The Canadian maritime commission advises as follows:—

1. Clarke Steamship Co. Ltd. receives subsidies for the operation of two steamship services.

2. The amount of subsidies paid in 1963-64 was $430,000 for the operation of the service

Quebec, Natashquan and Harrington operating between Montreal and Blanc Sablon, and $35,000 for the winter service entitled Murray Bay or Rimouski and north shore of St. Lawrence river ports operating between Quebec and Havre St. Pierre during the winter months.

[*Text*]

DISCHARGE OF SEWAGE INTO WATERWAYS

Question No. 881—**Mr. Stenson:**

1. Has the Department of Transport legislation which provides for the control of the discharge of sewage from boats on our waterways and, if so, who in the department has authority to enforce these regulations?

2. Has the department received a letter from the Otonabee region conservation authority on this matter and, if so, what action does the department intend to take?

Mr. Pickersgill: 1 and 2. No.

VETERANS HOSPITALS, QUEBEC

Question No. 896—**Mr. Latulippe:**

1. What is the number of veterans hospitals in the province of Quebec?

2. By whom and in what manner are those hospitals administered?

Mr. Teillet: 1. Three.

2. By Department of Veterans Affairs.

GRANTS TO MULTIPLE SCLEROSIS SOCIETY

Question No. 903—**Mr. Latulippe:**

1. Has the Department of National Health and Welfare made any grants to the multiple sclerosis society of Canada for research purposes and, if so, what were the amounts paid in each of the last three years?

2. If no such grants were made, are there reasons to prevent the department from making such contributions?

Miss LaMarsh: 1. Under the national health grants, no grant has been made during the last three years to the multiple sclerosis society of Canada for research purposes but grants were made available at provincial request for research into this disease at the following universities:

(1) Queen's University, Kingston: 1961-62, $15,455; 1962-63, $12,325; 1963-64, nil.

(2) University of Manitoba, Winnipeg: 1961-62, $6,517; 1962-63, $5,703; 1963-64, nil.

2. If research projects are submitted under the national health grants by the multiple sclerosis society of Canada, through the provincial departments of health, they will receive immediate study under the terms of the annual order in council, the latest of which is P.C. 1964-19/559.

*DEPORTATION ORDERS, MENTALLY ILL IMMIGRANTS

Question No. 907—**Mr. Cameron (High Park):**

1. When misfortune befalls a landed immigrant requiring temporary admittance to a mental hospital, does the Department of Citizenship and Immigration issue an order for deportation to the immigrant's country of origin?

2. When the immigrant regains his health and he is at no time a charge to the state and is allowed to remain in Canada, and he applies for citizenship, does the order of deportation prevent him from qualifying?

3. How long has he got to wait before the order of deportation is removed?

4. Is there any discretionary power vested in the minister, deputy minister, or in any other official of the Department of Citizenship and Immigration to remove a deportation order?

Mr. Badanai: 1. Section 19 (1) (e) (iii) of the Immigration Act requires that a report be submitted to the director of immigration on any person, other than a Canadian citizen or a person with Canadian domicile, who among other things becomes an inmate of an asylum or hospital for mental diseases. The director may, if he considers such action warranted, order that an immigration special inquiry be held to determine whether the individual is subject to deportation. If an inquiry is not ordered, the individual retains his status and may acquire citizenship in due course. Should an inquiry take place and deportation be ordered, the Minister of Citizenship and Immigration may suspend deportation and allow the person concerned to stay in Canada under special authority. Rarely is anyone deported because of mental illness unless it is clearly in his interest to be returned to his own country.

2. With the issuance of a deportation order, the process of acquiring Canadian domicile automatically ceases and, without domicile, an individual is not eligible to qualify for Canadian citizenship. The passage of time does not affect the validity of a deportation order and so long as the order remains in force, the individual cannot qualify for citizenship.

3 and 4. Neither the Minister of Citizenship and Immigration, the deputy minister nor any other official of the department has any discretion to cancel or quash a deportation order properly based on provisions of the act, although the minister may direct at any time that an inquiry be reopened for the purposes of receiving any additional evidence which could affect the special inquiry officer's original decision. Unfortunately, as the Immigration Act now stands, it is not possible to reinstate the landed immigrant status of a person ordered deported on mental grounds even though he may have recovered. This is one of the problems which is to be dealt with in the revision of the Immigration Act.

ABANDONMENT OF N.Y.C. CANADIAN SUBDIVISION

Question No. 913—**Mr. Danforth:**

Has an application been received by the Department of Transport from the New York Central

Railroad Company in regard to partial or complete abandonment of the Canadian subdivision either now or in the future?

Mr. Pickersgill: The Board of Transport Commissioners for Canada advises as follows:

1. No. However, the Board of Transport Commissioners for Canada, pursuant to a request made by the Minister of Transport under section 36 of the Railway Act, is inquiring into a brief submitted to the Minister of Transport by Mr. G. A. McNabb, Q.C. with respect to complaints concerning the possible partial or complete abandonment of the Canada southern division of the New York Central Railroad, and the board has arranged for public hearings in the matter in St. Thomas, Windsor, and Welland, Ontario, commencing June 16, 22 and 24, 1964 respectively.

SHIPPING FROM PORT OF CHURCHILL

Question No. 915—**Mr. Korchinski:**

1. On what date in 1963 did shipping commence at the port of Churchill?
2. On what date in 1963 did shipping close at the port of Churchill?
3. How many ships loaded grain at the port of Churchill in 1963 and under what country was each ship registered?
4. What amount of grain was loaded each day at the port of Churchill in 1963?

Mr. Pickersgill: The national harbours board advises as follows:

1. July 27.
2. October 20.
3. (a) 48.

(b) Flag	No. of vessels
Yugoslav	4
British	15
Swiss	11
Norwegian	4
American	1
Dutch	4
German	3
Greek	1
Liberian	2
Lebanese	1
Italian	2

4.

1963	Bushels
July 29	380,800
" 30	366,000
" 31	437,333
Aug. 1	360,266
" 2	365,533
" 3	160,000
" 5	194,333
" 7	372,000
" 8	394,936
" 9	521,533
" 10	454,333
" 11	355,133
" 12	396,667
" 13	374,000
" 14	420,667
" 15	427,400
" 16	419,093
" 17	503,600
" 19	74,000
" 20	255,000
" 21	81,667
" 24	459,200
" 26	233,000
" 27	442,400
" 28	409,133
" 29	278,144
Sept. 2	370,000
" 3	419,000
" 4	452,733
" 5	384,733
" 6	461,400
" 7	367,733
" 8	242,000
" 9	451,333
" 10	282,293
" 11	280,333
" 12	238,000
" 13	285,533
" 14	231,000
" 15	179,667
" 16	497,000
" 17	501,533
" 18	449,667
" 19	418,267
" 20	460,200
" 21	44,933
" 22	322,000
" 23	380,867
" 24	438,632
" 25	454,114
" 26	440,667
" 27	424,733
" 28	385,600
" 29	461,120
" 30	217,000
Oct. 1	399,000
" 2	380,800
" 3	311,667
" 4	268,000
" 5	109,133
" 7	396,333
" 8	211,267
" 10	377,500
" 11	64,900
" 18	563,370
" 19	61,173
" 20	43,000

Questions

SERUM FOR LEUKEMIA

Question No. 916—**Mr. Latulippe:**

1. What food and drug regulations would have to be met by biochemist Gaston Naessens before he can undertake clinical tests and the distribution of his anablast serum?
2. What tests are required to establish the value and safety of this drug?
3. Are any federal government employees investigating this case and, if so, what is the name, title and qualifications of each?
4. Do food and drug officials hold consultations with Canadian specialists, or do they follow the recommendations of the medical boards throughout Canada?
5. Who is responsible for taking the final decision in such a case?
6. Can an appeal be made against the department's decision in such a case and, if so, what procedure should be followed?
7. If no appeal can be made what regulations prohibit such appeal?
8. Will the government give consideration to the referral of the matter to the special committee on food and drugs?

Miss LaMarsh: 1. Control of the sale or distribution of new drugs is provided by sections C.08.001 to C.08.009, inclusive, of the food and drug regulations. The general distribution of a new drug may not be undertaken until the requirements of section C.08.002 are met. Limited distribution to qualified investigators for the sole purpose of clinical testing may be undertaken only when the manufacturer has filed with the food and drug directorate of the Department of National Health and Welfare a preclinical submission in satisfactory form and content containing the information prescribed by section C.08.005.

2. Tests to establish the value and safety of a drug are required both before and during clinical investigation. Before clinical investigation may be undertaken, a manufacturer is required by section C.08.005 of the regulations to provide, amongst other data, information concerning the results of investigations made to support the clinical use for the new drug, contraindications and precautions known in respect thereof and the suggested treatment of overdosage, concerning methods, equipment, plant and controls used in the manufacture, processing and packaging of the drug, detail of tests applied to control the potency, purity and safety of the drug, as well as the name and qualifications of investigators to whom the drug is to be distributed and the names of all institutions in which it is proposed further investigations be carried out.

3. Since no formal preclinical submission has been filed to date with the food and drug directorate of the Department of National Health and Welfare on a preparation designated as anablast serum, no formal investigation of the case has been made by the department.

4. The officials of the food and drug directorate frequently hold ad hoc meetings with Canadian specialists. In addition the Canadian drug advisory committee is consulted on matters concerning drugs.

5. The Minister of National Health and Welfare is responsible for the final decision as to whether the manufacturer of a new drug has complied with the regulations.

6 and 7. The sections of the food and drug regulations dealing with new drugs, as part of the over-all food and drug legislation, is legislation in the field of criminal law and the prohibitions contained therein are statutory prohibitions, the violation of which may lead to prosecution. Decisions of the minister in respect thereof are therefore subject to test through the normal process of law.

8. Until more information is available on anablast serum no decision can be reached as to whether it would be an appropriate subject for referral to the special committee on food and drugs.

REPORT ON GENEVA TRADE CONFERENCE

Question No. 939—**Mr. Latulippe:**

1. Has the Minister of Trade and Commerce received an interim report from the international conference on trade in Geneva and on the position of the Canadian representatives regarding the problems being studied at this conference?
2. If so, what are the main features of the report?

[*Translation*]

Answer: 1. The United Nations conference on trade and development has been going on for a little more than a month and is supposed to end on June 15. During the first days, the ministers made general statements outlining the position of their respective countries on the main proposals placed before the conference. Five committees have been set up and are now considering those proposals after which they will make recommendations to the conference sitting in plenary meeting. It is expected that the conference will end with another meeting of the ministers.

2. Consideration is now being given to the numerous and varied proposals which were made to improve the trading position and the economic growth of underdeveloped countries. Up until now, the discussions indicate that, on the whole, participating countries are in favour of those objectives. However, there is disagreement on the approach to take concerning certain proposals and it will be difficult to reconcile the various points of view during the next few weeks.

3. Canada has been elected as one of the vice chairmen of the conference and our delegation plays an active and, I feel, a constructive role in the proceedings of the various committees. Canada's position was set out in a statement I made during the ministerial

meeting at the opening of the conference. The text of that statement is as follows:

Following is the text of a statement by the Secretary of State for External Affairs, the Hon. Paul Martin, to the United Nations conference on trade and development in Geneva on Tuesday, March 24, 1964.

I wish to begin by congratulating you upon your election as president of this conference. I am confident that you will guide our deliberations over the next few weeks toward constructive solutions on the many difficult and complex questions before us.

We are faced today with one of the great opportunities of the twentieth century. Throughout the world, governments and peoples expect this meeting to make definite progress toward a goal which each nation shares—the greater welfare of its people. We must never lose sight, in the long and complex debate, of the urgency of our responsibilities.

All of us recognize that this is an historic Conference. It is unprecedented in the breadth of participation and the nature of its objectives. The ability of our United Nations to respond to the needs of member countries is once again being tested. In recent weeks the United Nations and its member governments have been preoccupied with the organization's peace keeping role—and specifically with the critical situation in Cyprus. During this crisis, Canadians have, as our Prime Minister has said, been proud to play their full part once again. Mr. President, Canada can also be counted on to respond in those areas which are the objectives of this conference. We recognize that prosperity and stability are indivisibly linked.

Since its foundation, the United Nations has played an important and constructive role in the vital sector of economic and trade co-operation among nations. Member countries have joined together to dismantle the barriers to world trade with the aim of ensuring the best use of the world's resources and raising the living standards of the world's peoples. In the interests of expanding world trade, rules have been fashioned as safeguards against the restrictive and discriminatory practices of the past. The General Agreement on Tariffs and Trade, the international monetary fund, the international bank and other United Nations institutions were set up to buttress the new framework of world trading relationships. This new and more liberal trade system has brought benefits to all the countries of the world. No country is more indebted to these accomplishments than my own, which is so vitally dependent on foreign trade. Canada supports the preservation and development of the basic trade rules and institutions which have been fashioned over the past two decades.

A great co-operative endeavour over the past two decades has been the economic development of new countries and countries seeking to reach new economic and social goals. The United Nations and its agencies have not only aroused world support for these efforts, but have also given us many of the tools to work with. Massive resources have been transferred by way of aid directly and through international agencies to reinforce even greater efforts of the developing countries themselves. That the efforts of these countries are bound to be paramount was emphasized yesterday in your own speech, Mr. President, when you pointed out that in this "endeavour for rapid economic growth to offset the increase in population and to keep up with the development trends in advanced countries, the developing countries bear the main responsibility for their economic and social progress". The same point was made by the present Prime Minister of Canada some years ago when he was speaking of the role of external aid. He went on, however, to develop this point in the following way: "The fact that external aid may often be marginal does not, however, make it unimportant. Many a garment might unravel if it were not for the hem. In much the same way, the fabric of economic and social life in many of these countries is strengthened by the function which outside assistance performs and by the evidence which it brings of widespread interest, sympathy and support."

Since the war Canada has made substantial contributions to international development efforts. From the start Canada actively encouraged the formation of United Nations programs and we backed up our support with substantial contributions. We were among the founding members of the Colombo plan in 1950 and since then we have annually transferred Canadian resources to countries in South and Southeast Asia, and more recently to Africa and countries in the Caribbean area. Through Canadian and United Nations programs we have provided substantial development resources, by far the greater part of which has been on a grant basis requiring no repayment.

The Canadian aid effort is part of a broad co-operative endeavour to hasten economic and social progress throughout the world. My government recognizes both the new sense of urgency behind this endeavour and the growing determination to achieve development goals. We have therefore decided to increase Canada's economic aid by more than one half. Our expanded effort includes a new program of long term loans on liberal terms. We expect our aid expenditures during the next months to reach $180 to $190 million.

Until recently the main emphasis in international arrangements has been to promote economic development through financial and technical assistance. We must now add another dimension to the great effort to support economic development. We must examine how trade can make a fuller contribution. The developing countries are rightly seeking through trade expansion to accelerate their economic development and to raise their living standards. World trade is still too much fettered by restrictions, high tariffs, trade discrimination and other barriers. The terms of trade have deteriorated for exporters of raw materials and foodstuffs. These basic products, moreover, are subject to sudden and unforeseen price fluctuations which can result in serious setbacks for development plans and for the efforts of producing countries. The developing countries are rightly seeking to diversify their economies, to create soundly based processing and manufacturing industries and to sell the products of these industries in the markets of the world. Their efforts deserve and require the encouragement of advanced countries. All of these countries represented here today stand to gain by increases in the productive capacity and prosperity of the less-developed world. As I see it, the task before this conference should be the establishment of a framework of world trade in which developing countries can achieve a satisfactory rate of economic growth and improved standards of living.

To achieve all these objectives will not be easy and will require adjustments and fresh efforts by all of us. Our task will be eased if we work together and share in the inevitable adjustments. By acting together within the United Nations, we can create in all our countries conditions and

the political will necessary for progress. Indeed, the only way to move forward effectively is by joint action.

Mr. President, the issues before this conference have been ably analysed in the report presented by the secretary-general, Dr. Raul Prebisch. His report presents us with many challenging proposals. I should like to take this opportunity to pay tribute to the distinguished services which he has already rendered to this conference.

My government—and I am sure each of the governments represented here—has given most serious thought to the issues facing this conference. Each of us will be making a contribution to the consideration of these problems in the days ahead. It may be helpful if I were to outline at this preliminary stage in a more specific way the Canadian approach on how these objectives can best be attained.

Canada will work with other developed countries in eliminating, wherever practicable, tariffs and other restrictions which obstruct trade in tropical foodstuffs and industrial raw materials traditionally exported by developing countries. The new round of tariff negotiations coming up in the GATT, known as the "Kennedy round", will complement this conference. These negotiations should reduce or eliminate barriers to many important exports from developing countries. To free world trade in food and raw materials would be a major accomplishment from which all countries in the world will benefit. At present Canada has no quantitative restrictions on imports of products of interest to developing countries and our tariffs on tropical products and raw materials are generally low or have been removed altogether; we have no internal taxes inhibiting the consumption of these products.

Canada has been a party to all major commodity agreements concluded since the end of the last war. We have always been prepared to explore with other countries the possibility of other agreements on a commodity by commodity basis. However, it would not be in the interest of the developing countries to encourage unduly high prices for primary commodities. High prices are likely to generate unsaleable surpluses by stimulating production and reducing consumption through the use of natural or synthetic substitutes.

Canada will work with the developing countries and others in trying to improve the conditions of world trade for temperate agricultural products. Agricultural protectionism in certain developed countries has been growing; it is tending to increase uneconomic production in these countries. It has curtailed the markets of efficient suppliers in developed and developing countries alike.

Canada had advocated that, in the forthcoming Kennedy round of tariff and trade negotiations, developed countries should ensure that products of interest to developing countries, including manufactured goods and semi-processed materials, are included in the scope of negotiations. As has been recognized in the GATT, this should be done without expecting full reciprocity from developing countries for benefits they may derive from these negotiations. We are hopeful also that successful negotiations of reduction of tariffs on semi-processed materials will go a long way to reducing differentials between tariffs on raw and processed commodities which have created problems for developing countries.

Canada strongly supports a general removal of quantitative restrictions now impeding imports into developed countries of manufactured goods from developing countries. It has been noted that exports of manufactures by developing countries are of limited variety and are exported in volume to only a few markets. Developing countries need the greatest possible freedom of access to the widest number of markets if they are to establish a diversified and expanding industrial structure. The likelihood of market disruption would be lessened if these exports were less unevenly distributed among developed countries through the establishment of more uniformly favourable conditions of access.

While Canada is approaching the question of preferences with caution, we would be prepared to consider proposals for the exchange of regional tariff preferences among developing countries for a limited period of time and under conditions which took reasonable account of the interests of outside countries.

Canada would be prepared during the course of the Kennedy round of tariff negotiations to examine carefully any tariff preferences now enjoyed by Canada in the markets of the developing countries which may be regarded as prejudicial to the trade of other developing countries.

Canada recognizes that development plans and efforts may be prejudiced by adverse changes in the terms of trade or by other occurrences beyond the control of developing countries. Accordingly, we supported the recent decision of the international monetary fund to increase its help to countries suffering from temporary declines in export receipts. As regards longer term declines, we are prepared to join with others at this conference in studying ways of improving bilateral aid programs and relating them more closely to the changing economic and trading circumstances of the individual developing countries.

As regards the basic question of future institutional arrangements, it is our belief that we can only see clearly what will be required when we approach the end of our deliberations. We shall then have a better idea of what is likely to emerge as a result of the conference. In general, we are not in favour of setting up a new organization of a more or less independent character. Rather we would be more inclined to adapt the existing machinery to make it more responsive to the problems of the developing countries. Indeed encouraging progress is already being made in that direction.

This, Mr. President, is the position of the Canadian delegation at the outset of this conference. It will be clear from my presentation that we believe that much more can be done and must be done to free the channels of trade. We think that, if this were done, the developing countries would have a better opportunity of competing on terms which would bring into play their natural advantages as efficient producers of certain commodities and manufactures. The freeing of trade channels would also help to overcome the effects of undue protectionism in the developed countries and to lead of itself to some of that international division of labour to which reference has already been made in this conference. But I do not want to suggest that the freeing of the channels of trade is all that requires to be done. The range of problems which we have come to consider is vast and no single nor simple solution for them is likely to be possible. We are prepared, Mr. President, to join others at this conference in exploring patiently all avenues along which solutions may lie. We have come to listen to the views and preoccupations of others as much as to share with them our experiences as a young and expanding country.

The object of the conference, as we see it, will be to contribute to the solution of problems which are crucial to the well-being of a very large proportion of the human race. They are urgent problems and their solution is urgent. Many new nations have come into being over the past decade

or so. Their governments are concerned—as they must be concerned—to ensure that the political independence they have achieved should find fruition in rising standards of living, in better health and improved opportunities for education, and in the greater happiness of all their people. The urgency of this task is such that they cannot accomplish it by themselves. The more developed countries must come to their aid—as indeed they have already come to their aid—recognizing that in a world which is becoming daily more interdependent, the conditions under which mankind lives will have to be brought into a more equitable relationship. It has been said of the people of the developing countries that they were embarked on a "revolution of rising expectations". It is to take a step forward in the direction of meeting these expectations, Mr. President, that this conference has been called and I am glad to be able to pledge the active co-operation of the Canadian delegation in the work in which we are about to engage.

[*Text*]

BREAKWATER REPAIRS, CUMBERLAND, N.S.

Question No. 963—**Mr. Coates:**

On what wharves or breakwaters in Cumberland will repairs be effected during the fiscal year 1964-65 and what will be the estimated cost of repairs on each facility?

Mr. Deschatelets: The following repair works to wharves and breakwaters are expected to be carried out in Cumberland during 1964-65: Wallace, wharf repairs and extension, $51,000; Parrsboro, repairs to retaining wall and breakwater, $26,000; Spencer's Island, wharf repairs, $11,000.

MOTOR TRAFFIC, HAINES-ALASKA ROAD

Question No. 967—**Mr. Douglas:**

How many cars passed over the Haines-Alaska highway cut-off in Canada between November 1, 1963 and March 1, 1964 and of these how many had (a) Canadian licence plates (b) U.S. licence plates (c) other licence plates?

Mr. Deschatelets: Total vehicle traffic recorded through customs at Pleasant Camp, British Columbia was 1,262 between November 1, 1963 and March 1, 1964.

	Passenger cars	Trucks, etc.
(a) Canadian licence plates	444	65
(b) U.S. licence plates	605	148
(c) Other licence plates	Nil	Nil
Total:	1,049	213

MOTIONS FOR PAPERS

CONSTRUCTION OF WOMEN'S PRISON, CORNWALL, ONT.

Motion No. 99—**Mr. Martineau:**

That an order of the house do issue for a copy of all correspondence including letters and other documents exchanged, on the one hand, between the government, the Minister of Justice or other governmental agencies and, on the other hand, any person or association with regard to the construction of the penal institution for women planned by the government at Cornwall.

Motion agreed to.

PETITIONS FROM KOOTENAY RIDINGS SUPPORTING COLUMBIA RIVER TREATY

Motion No. 114—**Mr. Herridge:**

That an order of the house do issue for a copy of all petitions sponsored by the Nelson chamber of commerce signed by residents of Kootenay East and West urging immediate ratification of the Columbia river treaty, received by the government since January 1, 1964.

Motion agreed to.

RED DEER DIVERSION SCHEME

Motion No. 115—**Mr. Horner (Acadia):**

That an order of the house do issue for a copy of the 1958 report of the study which was conducted by P.F.R.A. on the Red Deer diversion scheme.

Motion agreed to.

P.F.R.A. PROJECTS, ALBERTA

Motion No. 116—**Mr. Horner (Acadia):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the 1943 agreement between the federal government and the province of Alberta respecting P.F.R.A. projects in that province.

Motion agreed to.

INQUIRY CONCERNING POSTMISTRESS, RIVIÈRE AU RENARD, QUE.

Motion No. 117—**Mr. Martineau:**

That an order of the house do issue for a copy of all files, documents, memoranda, letters and other documents dealing with the investigation carried out under the Inquiries Act regarding Miss Hattie English, postmistress at Rivière au Renard, P.Q.

Motion agreed to.

LAY-OFFS AT ENAMEL & HEATING PRODUCTS, AMHERST, N.S.

Motion No. 118—**Mr. Coates:**

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 including letters and other documents exchanged, on the one hand, between the government, the Minister of Industry or other governmental agencies, and on the other hand, any person, company, governmental or civic body, related to the lay-off of employees by Enamel and Heating Products Limited of Amherst, N.S.

Mr. Speaker: Does the house give consent for the hon. member for Cumberland to withdraw his motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

Inquiries of the Ministry

CROWN ASSETS

VANCOUVER—DISPOSAL OF SITE OF R.C.A.F. STATION KITSILANO

On the orders of the day:

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, I would like to direct a question to the Prime Minister. Now that the city of Vancouver delegation, concerned with the future use of the Kitsilano air base property, is in Ottawa, can he give the assurance I asked for last Monday, that the government will not make any final decision on the disposition of these lands until the delegation's proposals have been carefully studied?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, certain of my colleagues concerned with this matter and I had the privilege of meeting the delegation from Vancouver and we expect, as a result of this meeting, that arrangements will be made which will be satisfactory to all concerned.

Mr. Fleming (Okanagan-Revelstoke): As a supplementary question, can the Prime Minister give the house the assurance that the statement made at a press conference in Vancouver last Friday by the Minister of Northern Affairs and National Resources was both premature and incorrect?

Mr. Speaker: Order, please.

BUSINESS OF THE HOUSE

MEASURES TO BE CONSIDERED BEFORE SUMMER RECESS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Prime Minister regarding the business of the house, and ask the right hon. gentleman if he would be prepared at an early date to give the house a list of the measures which the government is convinced must be passed before there is any summer recess. I recognize that the government cannot set a date for a summer recess because part of the responsibility for this lies with all members of the house, but if the Prime Minister would outline the legislation which it is considered imperative should be dealt with prior to a recess, hon. members would have some idea of what work has to be completed before that time.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think it would be appropriate, and a good idea, if I could give the house at an early date a list of what might be called government priority proposals as to legislation. It is difficult, as my hon. friend has indicated, to say the government hopes these will be passed, or that it even insists that these be passed before a recess.

For one thing, the pension legislation is priority legislation, but the question of a decision on that matter by the house will depend, as I said yesterday, on the speed with which we can get an amendment to the constitution which will make it possible to include survivor benefits. Also, ratification of the Columbia treaty is a very important priority matter, but it is still before a committee. Subject to these qualifications I shall be very glad indeed to make that kind of statement, perhaps next week.

Mr. G. W. Baldwin (Peace River): As a supplementary question, in that regard is the Prime Minister considering the effect of the United Kingdom general election this fall and the consequent likely early dissolution of the United Kingdom parliament in his time table to secure a constitutional amendment necessary for the Canada pension plan?

Mr. Pearson: Mr. Speaker, of course I have that consideration in mind, but I hope the United Kingdom parliament will not be dissolved until it has had an opportunity to amend the Canadian constitution; and I hope before long we will not have to go to the United Kingdom parliament for such amendments.

HOUSE OF COMMONS

INVITATION TO UN SECRETARY GENERAL TO ADDRESS HOUSE COMMITTEE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. In view of the fact that the secretary general of the United Nations is to visit Ottawa later this month, would the minister inquire from the secretary general whether he would accept an invitation to speak to the standing committee on external affairs, if he were extended such an invitation by that committee? I make this request, Mr. Speaker, because of the very special interest of the members of this house and of the people of Canada in the peace keeping operations of the United Nations.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure we are all very grateful and honoured that the secretary general is going to visit Canada at the end of the month. I would hope there would be an opportunity for him to speak not only to the members of the external affairs committee but to all members of the house. The suggestion for exploring this opportunity was made in an aside to me a

few moments ago by the Prime Minister, and I am sure he will take steps toward that end.

CANADIAN FLAG

INQUIRY AS TO ACTION TO BE TAKEN THIS SESSION

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to ask the Prime Minister a question.

He stated in his riding, more precisely at Espanola, a few days ago, that the adoption of a distinctive national flag would help cement national unity.

Here is my question. Does he intend to submit to the house during this session that "cement" he talked about to his electors of Algoma East?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I did not use the words attributed to me by the hon. gentleman, but I do not object to his interpretation of what I said. The policy of the government in regard to this matter is well known. Within a year, now, this matter will be submitted to parliament for parliament's decision.

Mr. Robert C. Coates (Cumberland): In view of the growing disunity in the country arising from the promise of a new flag design—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I wonder whether the hon. member would rephrase his question.

Mr. Coates: I do not know how else I can make the statement. Disunity is evident. Every newspaper one picks up indicates great concern about this proposed change. Would the Prime Minister give consideration to withdrawing his promise to introduce a new design, and carry on with the red ensign?

Mr. Pearson: No, Mr. Speaker.

Mr. Coates: Will the Prime Minister go along with the proposal put forward by the Royal Canadian Legion and carry out a national referendum to decide what should be our national flag?

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put a question to the Prime Minister?

In view of the fact that Canada has been an adult and independent country since the statute of Westminster, could the Prime Minister assure the house that his government will give us but one distinctive national flag, without union jack or red ensign, so that Canada may not be mistaken for some foreign country as happened at the time of the Suez crisis?

[*Text*]

Mr. Speaker: Order. May I suggest to the hon. member that he put this question on the order paper.

Mr. Pigeon: Mr. Speaker, I want to discuss this matter after ten o'clock.

ARTS, LETTERS AND SCIENCES

ATTENDANCE AT ROYAL COMMISSION HEARINGS BY MEMBERS OF PUBLIC SERVICE AND ARMED FORCES

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): I have a question for the Associate Minister of National Defence. I am wondering whether the chief of the general staff has now authorized officers and men to participate in the deliberations of the royal commission on biculturalism and bilingualism in accordance with Queen's orders and army regulations.

Hon. Lucien Cardin (Associate Minister of National Defence): I am now in a position to answer the hon. member's question and to inform the house that there is no prohibition, first, against civil servants appearing before the royal commission on biculturalism and bilingualism and giving evidence if they wish to do so. No instructions have been issued by the Department of National Defence which would question this right.

Concerning members of the armed forces, the Queen's regulations preclude a member of the forces giving public evidence on a military subject or publishing in writing, or delivering any lecture, address or broadcast in any way dealing with a subject of a controversial nature pertaining to public policy without permission of headquarters. Army headquarters sent a message on May 4 to its commands as a reminder of these provisions.

Due to the special nature of this inquiry, however, it is recognized to be in the public interest that the widest range of views and opinions should be obtained, including those of the members of the forces. It is nevertheless important, having regard to the problems associated with military discipline, that arrangements be available which will give individual members of the forces the opportunity to present views freely if they so wish without compromising that discipline. The commission has agreed in these circumstances to receive evidence of any members of the forces who so desire, in camera. The Department of National Defence will cooperate in encouraging the attendance of members of the forces who wish to appear before the commission.

Inquiries of the Ministry

Mr. Erik Nielsen (Yukon): Can the minister assure the house that the same consideration will be given to other Canadian citizens appearing before the commission who may also wish to give their evidence in camera?

Mr. Cardin: I am, of course, speaking of the military personnel of the department, and I do not think I should be asked to go further.

Mr. Nielsen: Then can the Prime Minister give that assurance?

Right Hon. L. B. Pearson (Prime Minister): I do not think the hon. member and other Canadians are subject to the same rules of discipline.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question in this regard, Mr. Speaker. I wonder if the minister could tell us whether there is any difficulty about discipline, and so forth, regarding members of the armed forces appearing at sessions of the commission during the evening hours, as these have been held in the past. Is there any difficulty in this regard?

Mr. Cardin: Mr. Speaker, there is no difficulty in members of the forces attending the sessions. What we are now speaking of is the submission of briefs to the commission.

Mr. Lambert: This is implicit in my question, Mr. Speaker, because this is what we are discussing. They can attend to give evidence during the evening hours without any difficulty, in the main, in regard to their ordinary course of duty.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. In view of the fact that the royal commission is dealing with biculturalism and bilingualism and not with military matters, will the minister tell the house why military personnel should be required to give their evidence in camera and why the people of Canada should be denied the opportunity of hearing that evidence.

Mr. Cardin: The regulations as they are do not deal only with matters of military significance, but also with matters that are controversial and of a public nature. It is on those grounds that we have arranged with the commission to receive the presentations of members of the services in camera.

Mr. Douglas: A further supplementary, Mr. Speaker. In view of the anomalous situation which the associate minister has described, would it not be much easier to amend Q.O.&A.R. rather than go through this flim-flam procedure?

[Mr. Cardin.]

Mr. Cardin: Mr. Speaker, I disagree that the situation is anomalous, and I think this is perhaps the best way of giving members of the forces an opportunity to speak freely to the commission so that the members of the commission can appreciate the problems that exist in the services in this regard.

Mr. Douglas: They are being treated as second class citizens; that is what is happening.

Mr. Fairweather: Mr. Speaker, I now put to the Associate Minister of National Defence the fact that the Queen's orders and army regulations contain exactly the formula under which this permission can be granted—

Some hon. Members: Order.

Mr. Fairweather: —and I wonder whether this matter should not be reviewed. Article 19, subsection 37, says that the chief of the general staff can give this permission if it is in the public interest.

Mr. Cardin: Mr. Speaker, I would like to assure the hon. member that the staff of the Department of National Defence have looked at that particular regulation. We have now made up our minds, and I think this is perhaps the best thing that could be done under the circumstances.

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. member for Kootenay West (Mr. Herridge).

Mr. Nielsen: A supplementary question, Mr. Speaker—

Mr. Speaker: Order. The hon. member for Yukon has asked one or two questions. We only have a half hour period and I must obviously distribute the favours, so to speak.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Finance. It is impossible to determine whether it is of national significance until we hear the minister's reply.

Some hon. Members: Oh, oh.

Mr. Herridge: My question is based on an advertisement in the Ottawa *Journal* of May 1 which reads as follows:

> Men wanted as candidates for next federal election. Must believe in God and understand finance and banking.

Could the minister inform the house whether he has any knowledge of this

advertisement and whether it was placed in the *Journal* by the government or by the Liberal party?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I see no conflict in the requirements which my hon. friend read out, but I have no knowledge of the advertisement.

WATER RESOURCES

PROPOSED DIVERSION FROM HUDSON BAY INTO GREAT LAKES

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, my question is directed to the Prime Minister. Has he received from the Ontario chamber of commerce a resolution recommending to study the possibility of diverting the James bay waters into the great lakes through the Harricana river, and does he intend to recommend that study?

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper.

TRADE

GATT—PROPOSED 50 PER CENT TARIFF REDUCTION AS BASIS FOR NEGOTIATIONS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the right hon. Prime Minister arising out of the decision taken in Geneva last night by the United States, the European economic community and Great Britain to make a 50 per cent, across the board tariff reduction the basis for future negotiations. I am wondering whether Canada has agreed to this basis.

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, that has for some time now been the basis for negotiations in the discussion which have begun at Geneva. It has also been understood for some time that there are certain countries to which this particular principle does not apply in that form, and that the negotiations would have to be conducted on a different basis. That is all I can say about the matter pending the receipt of the particular report to which my hon. friend refers.

Mr. Olson: A supplementary question. Has Canada agreed that this is a proper basis for future tariff negotiations respecting trade between Canada and the United States?

Mr. Pearson: No. We have made that quite clear. While we agree that we must give equivalent compensation for any concessions which are received, the application of this particular mathematical formula, in the case of Canada and the United States, would not be fair to Canada.

CANADIAN COASTGUARD

SUGGESTED DELAY IN ANNOUNCEMENT OF TRAINING SCHOOL FOR OFFICERS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of National Defence. To further clarify the statement made yesterday by the Minister of Transport in regard to the establishment of a Canadian coastguard college at the Point Edward naval base, may I now ask the Minister of National Defence whether this information was relayed to the delegation from the Sydney board of trade when he met with them on March 17.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, we discussed this as one of the possibilities for using some of the facilities at Point Edward, and it was just one of many suggestions which were made to demonstrate the initiative which this government is taking to try to find employment for the people who would be without jobs as a result of the closing of the naval base, and in order to make maximum use of the facilities there.

Mr. Muir (Cape Breton North and Victoria): A supplementary question. In view of the minister's reply may I ask him why this information was not given in the house on March 19, when the hon. member for Cape Breton South and myself asked this question?

Mr. Hellyer: Well, Mr. Speaker, I think the Minister of Transport will have to answer that question. As far as I am aware the decision had not yet been taken at that time.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I may say that the decision was announced in this house at the first available moment after the final decision was made by the government.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. Is the minister aware that the premier of British Columbia has issued a statement confirming that he regards the telegram sent to the government yesterday with respect to

the Alberni flood disaster as an official request for assistance, and further describing the reply given yesterday as stupid?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I have not at any time raised a protest against or argued with the terminology used to describe me by other people in political life, and I am not going to do so now. I have not even inquired from time to time whether that language is the result of choice or of limitation. However, I want to assure the hon. member that the statement I made yesterday with respect to the wire was factual in every respect. The wire is still with us and we intend to communicate with the premier of British Columbia, and one of the first things we will ask him is that he give us permission to make public the wire which he sent us on May 4.

Mr. Dinsdale: A supplementary question, Mr. Speaker. Inasmuch as the premier has indicated that prime ministers should communicate with prime ministers, is this the level at which these negotiations are now taking place?

Mr. Laing: I think the premier of British Columbia has been in touch with the Prime Minister on this matter. As a matter of fact, the wire to which I have referred was addressed to the Prime Minister.

Mr. Rhéaume: Have you established diplomatic relations yet?

AGRICULTURE

DIELDRIN—USE AS GRASSHOPPER AND INSECT SPRAY

On the orders of the day:

Mr. C. O. Cooper (Rosetown-Biggar): Mr. Speaker, I have a question for the Minister of Agriculture. It is one which I asked last fall concerning the use of dieldrin as a crop spray. Has anything been done to abandon the use of this dangerous poison on our cereal crops and pastures?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, my estimates will be up for consideration tomorrow at which time I would be pleased to go into all the ramifications of the use of pesticides, insecticides and that sort of thing.

FINANCE

INQUIRY AS TO REVISION OF BANK ACT

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a question for the Minister of Finance. I wonder whether the Minister of Finance will tell the house if he has now decided to delay the applications made by the three groups for constitution under the Bank Act until the amendments to the Bank Act have been brought in and, if so, when will these amendments be brought in?

Hon. Walter L. Gordon (Minister of Finance): In reply to the first part of the question, Mr. Speaker, the applications are now before the Senate or the Senate banking and commerce committee, who I am sure will proceed to deal with them in their usual fashion. As to when the amendments to the Bank Act will be brought in, it is my hope, as I have said on other occasions, that we will have an opportunity to make progress with this very difficult legislation within the Department of Finance this summer, with a view to being ready to present the bill to the house in the late fall.

[*Translation*]

Mr. Réal Caouette (Villeneuve): A supplementary question, Mr. Speaker. Could the Minister of Finance tell us, at this time, whether the Porter commission report will be referred to the parliamentary committee on banking and commerce for study and to determine the decisions to be taken or suggested to the government?

[*Text*]

Mr. Gordon: Mr. Speaker, since my hon. friend asked this question last week I have had an opportunity to examine the precedents in this matter. In accordance with the practice which was followed on the only other similar occasion in Canada, the first thing which has been done is to table the report so that all hon. members of the house as well as the public can have access to it. The government will have a chance to consider the report and reach conclusions as to which of the various suggestions and recommendations should be incorporated in the legislation which will be presented to the house. That legislation will then be referred to the banking and commerce committee, where witnesses will be called and an opportunity given to the public to comment on the bill which is up for consideration, as well as making any other comments or proposals they wish to make with regard to the contents of the report. I think nothing could be served by referring the report to the banking and commerce committee until the government has reached conclusions on the legislation to be presented.

Mr. H. A. Olson (Medicine Hat): A supplementary question. Could the Minister of Finance tell the house for what length of time he proposes to ask parliament to extend bank charters pending this legislation?

Mr. Gordon: This proposal is contained in the bill. It is for one year, commencing June 30, 1964.

PENSIONS

CANADA PLAN—INQUIRY AS TO CONSIDERATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether the Prime Minister has had an opportunity to check with the Minister of Finance regarding the statement he is reported to have made out west a couple of days ago, and whether he can now confirm that it is the united view of the government that the Canada pension plan legislation will be proceeded with at this session?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have read the text of the minister's speech, and there is nothing in that text that justifies certain conclusions which were drawn from it and expressed in the house yesterday about delay in this matter.

FISHERIES

U.S. LEGISLATION RESPECTING FOREIGN VESSELS IN TERRITORIAL WATERS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister aware that on Monday the House of Representatives at Washington passed a bill that would prohibit foreign fishing vessels in the territorial waters of the United States and provide for a fine of $10,000 or a year's imprisonment or both for violators? Could he also tell the house whether this bill was passed as a result of our stated intention to establish unilaterally a 12 mile fishing limit off Canada's coast?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to look into the matter at once, but pending examination I think I can give my hon. friend the assurance that any such bill of this kind dealt with at this time in Washington would, I am sure, have no relation to the bill which we are proposing to introduce.

Mr. Crouse: A supplementary question, Mr. Speaker. In view of the importance at the present time of the fishery off the United States coast to our Canadian operators, who are now in those waters long-lining for swordfish, while the Prime Minister is investigating the pertinent points would he also find out and tell the house whether this legislation applies to Canadian fishermen?

Mr. Pearson: I will be glad to do that.

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to address a related question to the Minister of Fisheries. Can the minister give the house an indication when he expects the negotiations between Canada, the United States and other interested countries with regard to the proposal for the extension of Canadian fishing waters will be terminated?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, the first phase of the negotiations with most if not all of the countries interested in fishing off the Canadian coast has been completed, and we are now ready to carry on with these negotiations in more detail. At this time I cannot give an exact date when they will be completed.

ADMINISTRATION OF JUSTICE

CANCELLATION OF CLUB CHARTERS HELD BY ONTARIO GAMBLERS

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Minister of Justice of which I have sent him notice. In view of statements made by the attorney general of Ontario and in view of the very urgent need for clarification by the minister before the Ontario legislature recesses tomorrow, has the government received requests from the government of Ontario to cancel the charters held by the two notorious gamblers, Feeley and McDermott, for fear they will be used for illegal gambling activities? If so, what response has the government made to these representations and what action, if any, has been taken to cancel these charters?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I thank the hon. gentleman for sending me notice of his question. I must answer for the moment, though, that my department has received no such request. Before the house opened today I intended to speak to the Secretary of State about the matter, because his department is concerned, and I undertake to send him notice.

Mr. Scott: A supplementary question, Mr. Speaker. I see the Secretary of State is here, so perhaps we could have an answer from him at this time.

Hon. Maurice Lamontagne (Secretary of State): I am sorry, Mr. Speaker; I would ask the hon. member to repeat his question, please.

Mr. Scott: I want to know whether the government has received requests from the government of Ontario to cancel the charters held by the two notorious gamblers, Feeley

and McDermott. Fears have been expressed by the police that these charters will be used for illegal gambling activities in Ontario. I should like to know whether representations have been received and what action has been taken.

Mr. Lamontagne: Not to my knowledge, but I shall inquire, Mr. Speaker.

LABOUR RELATIONS

GREAT LAKES—RECOMMENDATION BY COUNSEL RESPECTING PROSECUTION OF MCLAUGHLIN

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct a question to the Minister of Justice. A few days ago I asked him whether the report of special counsel appointed by the government had recommended that Mr. McLaughlin be charged with the same offence of which Mr. Banks was found guilty by a court in the province of Quebec.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I thought I had already answered that question, but in case I have not I must say there has been no report from special counsel recommending the laying of an information against Mr. McLaughlin of the same nature as that laid against Mr. Banks, and for which offence he has been convicted. I did answer, however, that special counsel had recommended that Mr. McLaughlin be charged with conspiracy to induce certain people to leave their ships contrary to the Canada Shipping Act. However, I have also answered that the question of the references with respect to Mr. McLaughlin made in the proceedings concerning Banks would be the object of a report which I have sought. I have not yet received the exact text of the utterances, but I will continue to look into the matter.

WAYS AND MEANS

The house in committee of ways and means, Mr. Batten in the chair.

ESTATE TAX ACT

That it is expedient to introduce a measure to amend the Estate Tax Act and to provide among other things:

1. That in respect of property passing on the death of a person whose death occurs at any time after March, 1964, the deduction from the tax otherwise payable in respect of any such property that

(a) was situated in a province that levied a succession duty and that was not entitled under the Federal-Provincial Fiscal Arrangements Act or any other act of the parliament of Canada to receive a payment in consequence of its refraining from increasing its succession duty in respect of such property or in respect of property described in subparagraph (b), or

(b) was personal property situated outside of Canada that was, on the death of any such person who at the time of his death was domiciled in a province described in subparagraph (a), transmitted to a person who at the time of such death was domiciled in or resident in that province,

shall be 75 per cent.

2. That the limit of $1,500 on the amount of certain kinds of property passing on the death of a deceased person that may be transferred, delivered or paid over to any person resident in Canada without the consent of the minister, in the case of any one transferor, deliverer or payer, be increased to $2,500, and that such kinds of property be extended to include an amount payable under a policy of insurance in respect of sickness or accident in which the deceased had, immediately before his death, a beneficial or other interest.

3. That the property comprised in a settlement to be included in computing the aggregate net value of the property passing on the death of a person be deemed to include property comprised in a settlement where any income from such property is reserved to that person for life or any other period determinable by reference to death.

4. That a disposition made by a person out of any community of property existing between that person and his spouse at the time of the making of such disposition be deemed to have been made by each of them according to the respective share of each in that community.

5. That where, on condition of the purchase of an annuity, a policy of insurance was effected after March 16, 1964 on the life of a person there be included in computing the aggregate net value of the property passing on the death of such person the lesser of,

(a) the amount paid for the annuity less the aggregate of annuity payments made prior to the death, or

(b) the amount payable under the policy of insurance.

Mr. Benson: Mr. Chairman, I thought it might be helpful if I gave a general outline of the proposals contained in the estate tax resolution before the committee begins to consider them in detail.

The Deputy Chairman: Order. It is a little difficult for the Chair to hear what is being said by the hon. member.

Mr. Benson: Thank you, Mr. Chairman. The resolution is divided into five paragraphs that outline the most important of the changes proposed for the Estate Tax Act. In addition the bill to amend the act will contain several other useful amendments.

Paragraph 1 implements part of the proposal made to the provinces last November to leave to them a larger share of the death duties field. It provides for a 75 per cent abatement, instead of the existing 50 per cent abatement, of the federal estate tax otherwise payable in respect of property in a province that levies a succession duty. The 75 per cent abatement will apply only to British Columbia

at present because the other two provinces that levy a succession duty, Ontario and Quebec, have chosen not to raise their rates at present but to qualify instead for an equivalent tax abstention payment of 25 per cent. The existing 50 per cent abatement will continue to apply in respect of property situated in Ontario and Quebec. The existence of two levels of abatement will require a consequential amendment to the rules determining the situs of property.

Paragraph 2 proposes that the amount of certain kinds of property, such as money on deposit, that may be transferred from the deceased's estate to a beneficiary without the consent of the Minister of National Revenue be increased to $2,500 from $1,500 for each transferor. It also proposes that an amount of $2,500 payable under an insurance policy for sickness or accident may also be transferred without the minister's consent. These proposals are intended to make a greater amount of cash readily available to beneficiaries while the estate is being settled.

The next three paragraphs are concerned with amendments to correct anomalies or deficiencies in the law. Paragraph 3 deals with a special kind of settlement and is intended to ensure that such settlements will be taxed on the same basis as other settlements. Paragraph 4 also deals with a special kind of transfer—a disposition out of community property—and is intended to provide more uniform and equitable tax treatment. The proposal in paragraph 5 is intended to prevent the use of tax avoidance devices.

These proposals, and several others, will be found in the amending bill, and are those that it seemed necessary or appropriate to recommend to parliament at this time. I should like to reiterate, however, a statement made by the Minister of Finance in his budget speech, as reported at page 980 of *Hansard* for March 16, 1964:

> In reviewing the Estate Tax Act in the light of the representations that had been made about it, I was impressed with the case made by women's organizations saying that more recognition should be given to the special contribution that a wife makes to the accumulation of property by her husband. Any action to give effect to suggestions of this nature, however, would now affect provincial revenues more than our own budget position. Death duties are under review by provincial commissions of inquiry as well as by our royal commission on taxation. We have therefore deferred any action on this matter, and hope that there will be consultations with the provinces on it, as well as on other aspects of death duties, following the reports of the various commissions.

Mr. Lambert: I have a few points I should like to make at this time, particularly with regard to the statement made by the parliamentary secretary in respect of the words of the Minister of Finance appearing at page 980 of *Hansard* for March 16. I am just wondering what the minister meant by saying that he was much impressed with the case made by women's organizations that more recognition should be given to the special contribution a wife makes to the accumulation of property by her husband. We know many organizations have sought an increase in the basic exemption of an estate from $60,000 or $70,000 to $80,000. I will say that I agree there is a rather difficult position now that the federal government has more and more handed over the revenue from the estate tax to the provinces. It would be rather difficult for the federal government to suggest now that it would increase the exemption ceiling without the consent of the provinces. In other words, the federal government would actually be giving away provincial money. This is a very difficult position in which to find one's self.

However, I find it difficult to reconcile this statement with some other statements that have been attributed to the Minister of Finance to the effect that Canadians will undoubtedly face an increase in taxation as a result of these concessions or allocations of sources of revenue to the provinces. I do not believe the minister can have it both ways. I am a little dubious about the sincerity of his statement. While it sounds nice, I think the minister's freedom of action is very limited, and the best interpretation I can put on the budget statement is that it was a pious hope.

I should like to know what further information has been received by the government of Canada as a result of any studies that have been made by provincial bodies or by the royal commisison on taxation. I am referring now to the last sentence in the minister's statement which appears at the top of the second column of page 980 of *Hansard*.

Turning now to the resolution as it appears before us, I wonder if the parliamentary secretary can give us a little more detail as to the effect of the British Columbia legislation to which the minister referred at the time of the budget, and which has now had the effect of setting up two scales of valuation or abatement. I leave that point with a request for information.

In so far as paragraph 2 of the resolution is concerned, which increases the ceiling on permissible transfers by a representative of a deceased person, I should like to refer to joint bank accounts and also to land held under joint tenancy. I have always been bothered by the application of the estate tax or the succession duty on the legal position resulting from the death of a joint tenant. For purposes of taxation it has always been deemed that half the value of the property shall have been assessed to the deceased. This

is a new legal definition given to joint tenancy for reasons of the estate tax. I know that this is contained in the number of judgments of various taxation bodies. I have always found these to go rather hard against the legal interpretation of joint tenancy.

I must find that in the provinces where there is a land registry system which recognizes joint tenancies. This is a fact in connection with the majority of new homes being bought in these provinces where the mortgage companies insist on joint title to have both husband and wife on the mortgage for additional protection. All that is required is the filing of a death certificate to vest the title in the survivor. I am wondering how, in the field of property rights, the crown of Canada through the Estate Tax Act purports to interrupt or impede such a vesting of title without the consent of the minister. I trust the parliamentary secretary may have an answer to this question. How can the minister require that a provincial act shall be affected when there is a legal consequence flowing from the decease of a joint tenant? He may have an answer, and I would be most interested in it.

It is true that the amendment in paragraph 2 of this resolution will increase the ceiling on the property that may be permitted to pass without the consent of the minister. The additional portion, I think, is quite reasonable in that it provides for a certain amount payable under an insurance policy in respect of sickness or accident, in which a deceased had a beneficial or other interest immediately prior to his death. I can see that this will facilitate the payment of hospital bills immediately, by the representative or widow of a deceased, or by whoever may take on that responsibility. This is a move in the right direction.

However, with regard to those provinces where there is registration of the minister's certificate prior to an actual transfer of property, I would like to ask, have there been consultations with the provinces in regard to the increase of the ceiling from $1,500 to $2,500? I remember that this was a matter which was discussed some four or five years ago.

With respect to paragraph 4 of the resolution I wonder whether the inclusion of the words "out of any community of property" is limited to the province of Quebec, which is the only province in which the term "community of property" really applies, or whether this is dealing with joint tenancies, which I would submit is a form of community ownership of property. Is it only with respect to the province of Quebec?

Mr. Benson: That is right.

[Mr. Lambert.]

Mr. Lambert: Very well, that clears up that point. Now, with respect to paragraph 5 I know that this matter of these very complex schemes has exercised the Minister of Finance and the Minister of National Revenue for some time, particularly where they seem to defeat the purpose of the act. Under these circumstances perhaps the parliamentary secretary could give us some indication of the type of thing aimed at, without necessarily going into all the details.

I would ask him to give us as much information as he can at this time because this is a relatively new act and we have not had long experience of it. We are not getting, shall we say, too many progress reports, which may be expected in the long run. Since the act has only been in force for five years the committee and the country would appreciate receiving an estimation of how it is working out.

Mr. Benson: Perhaps I should deal with some of the questions raised by the hon. member for Edmonton West before further questions are raised by other members. The first matter which he mentioned was the question raised by the minister of giving further recognition to the contribution of women towards the building up of an estate. In this regard representations have been made for a number of years by women's organizations. The matter was considered very seriously by the minister at the time of his budget preparation, but it was decided that it would be unfair, as was pointed by the hon. member for Edmonton West, for the federal government to legislate in a manner which would materially affect the amount of revenue derived from the estate tax, in that 75 per cent of this revenue goes to the provinces.

This also affects other matters under the Estate Tax Act, and I believe in the future that amendments to the act which materially affect the amount of revenue which it raises will have to be made after due consultation with the provinces because, after all, they get 75 per cent of the amount of money which is raised by it.

In the case of the differences which arose and are covered in paragraph 1, in British Columbia the provincial government decided to take up the 25 per cent room which the federal government agreed to vacate last year, and it amended its legislation and raised the rates of the succession duty levied in that province accordingly. I can assure the hon. member that it is not within the jurisdiction of the department to decide whether they have exactly taken it up, or taken it up more or less. I would not like to give an opinion

on this, but they have legislated to take up the differential and no special treatment was required.

In the case of Ontario and Quebec they have not as yet amended their legislation and have chosen instead to take a 25 per cent abatement of the tax collected by the federal government, pending the time when they will pass legislation to move into the field to the extent that the federal government has moved out of it.

With respect to the question raised by the hon. member on paragraph 2, this does not affect joint tenancy in real property in that the section which is being amended, section 47(3) of the act, does not cover real property. Therefore joint tenancy in real property does not enter into this particular matter. While the hon. member was speaking I think I mentioned that the amendment with respect to community property was designed primarily for the situation in Quebec, and I understand it is the same treatment as that which is given under the Succession Duty Act in the province of Quebec.

The hon. member asked how the act is working and I am informed by officials of the Department of National Revenue that since its enactment the Estate Tax Act has been working very well.

[*Translation*]

Mr. Marcoux: I make apologies to the hon. member for Brome-Missisquoi (Mr. Grafftey) but it will not take me long.

Looking at the estimates concerning the Estate Tax Act, we realize once again that the civil servants' jargon is very hard to understand; thus, when poor people die, leaving their family in want, one has to resort to experts in order to understand what it is all about and be informed of the heirs' obligations towards the government.

Reading the amendments to the act introduced today—of course, I am not an expert and I am not bright either—I find it is very difficult to know exactly what is the meaning of some clauses and what is involved in those clauses we are going to vote in a moment and agree to practically unanimously.

I think this is a failure on the part of our democratic and private enterprise systems. We have reached a point where we do not know where we stand or where we are going. We are dependant on a group of people whose activity is outside their field of interests, and it is difficult to understand their directives.

I think it is a little paradoxical that where a system like ours which pretends to defend democracy and free enterprise as compared to socialist dictatorship, would take steps to ensure that we reached, at the same time, a point where we defend private enterprise on the one hand, and on the other, we promote the intrusion of socialistic measures which bring with them a multitude of incomprehensible rules, such as those we have before us at this time.

Naturally, if one tries to understand those amendments, it appears that the government has decided to give back to the provinces a small share of the taxation powers on estates. Neither the federal nor the provincial governments seem to be able to do completely without the estates taxes which, in many cases, have reduced to poverty families which were fairly well off beforehand. In other words, those taxes have led numerous small and average businesses to bankruptcy because the government, seeing that it could not get the funds it needed while the owners were alive, succeeds in laying its hands on that money once they have passed away.

I must repeat what I said a moment ago: To my mind, it is a failure on the part of democracy.

If our businessmen and our governments do not try to find a means to simplify the legislation—really, Mr. Chairman, if you have the time to read this, you will probably ask what is it all about when you are through reading it. I would not blame you. A large proportion of the 265 members of the house are also surely in the dark.

Mr. Choquette: Not so large.

Mr. Marcoux: It may not be so large, but there are many members of the house who surely do not know what it is all about. And yet we are obliged to vote and pass this legislation for otherwise, we are told, the government will be prevented from taking any action.

Mr. Chairman, I am not well versed in these matters, but without going into details, I think the legislation should be simplified as soon as possible instead of trying to find formulas in a style which is hardly understandable. The French language, just like the English language, is usually understandable. But when you read the English or the French version of this legislation, you cannot understand much.

However, we would like that in practice, at least in the field of succession duties, 100 per cent of the revenue be handed over to the provinces.

I was amazed, a moment ago, to hear the parliamentary secretary say that Ontario and Quebec had refused to accept this 25 per cent of the estate tax at a time when, in the province of Quebec, the premier goes around saying that he wants 100 per cent of those

succession duties, when in fact he has refused the 25 per cent to take it back in the form of a general tax abatement.

Of course, the hon. member for Edmonton West (Mr. Lambert) shakes his head in disagreement but as far as I am concerned, that is the way I interpreted the statement made a while ago by the parliamentary secretary.

So, I repeat that the wording of this legislation is very hard to make out and I hope that before long we will have a government that will know how to draft legislation in more simple terms.

[*Text*]

Mr. Benson: Perhaps I might answer one or two of the points raised by the hon. member. He has indicated that this legislation is difficult for the layman to understand, and I think that is generally the case with respect to taxation legislation. But I should like to point out that the present Estate Tax Act which was enacted a few years ago was regarded as a simplification of the act which it replaced, and is generally recognized as being a much simpler measure to deal with than was the former legislation on this subject.

With regard to the 75 per cent shared with the provinces, estate tax also enters the equalization payments; so that in effect we are giving to the provinces more than 75 per cent of the money collected from estate taxes.

Mr. Grafftey: I am in entire accord with the previous speaker. This is a complicated subject and I believe we are being a little optimistic when we ask for too much simplification, or, should I say oversimplification, in a field which is, after all, highly technical. As the parliamentary secretary has stated, we are already dealing with a simplification of the previous act.

I think it is only fitting that in recognizing the needs of the provinces the succession duty tax per se should be the first one vacated to the provinces under present conditions. I do not wish to enter too deeply into technical matters myself or to become involved with constitutional questions, but it certainly seems to me that succession duty is a tax on property, and very often a tax on real property which in so many ways falls under provincial jurisdiction. I think most hon. members interested in this field recognize that this is so, and while we are of necessity vacating certain tax fields at a time when the provinces are facing an increased burden on their resources, it seems we must agree in great measure with paragraph one and with the government's intention primarily to vacate this particular field.

[Mr. Marcoux.]

I should like at this time to call attention to a more specific question, one which was touched upon by the hon. member who has just spoken. I do not intend to speak for very long but I feel obliged to bring this matter up in the house this afternoon. I know that the department has for many years been aware of this general problem. They are certainly seized of it and I am sure they will be aware of it for years to come. I draw attention to it now because the party which I support is a party which believes in a property-owning democracy; we think government should do all it can to encourage the ownership of property. As hon. members know, many families who own small businesses are obliged to let their holdings pass into other hands because of the necessity of raising succession duty quickly. I realize it is not always desirable that a company or an enterprise should be held by a family from one generation to another. But I am thinking particularly, now, not of large companies with many shares on the public market, but of small businesses which have been built up over the years. I am thinking, for example, of a small store owner who has very little in his patrimony except his business. But he has dependants, and they wish to carry on the business, but they are obliged to get rid of it because of the necessity of raising succession duty.

This is not a new problem and I believe some progress has been made in this regard in the past, but I should like to ask the parliamentary secretary to what extent provision can be made to alleviate the situation. Very often, companies are taken over by outside interests simply because succession duties cannot be raised within the time required. I repeat, Mr. Chairman, that the question I am raising is not a new one and certainly has not any political overtones; but I am raising it because my party supports the principle of a property owning democracy. I think we in this house should do all we can to encourage people to own their own businesses, small or otherwise, and should not unnecessarily hang this cloud over their heads if anything can be done to avoid it.

While there is no one paragraph in the resolution before us today which deals specifically with this matter—it perhaps deals too generally with the subject—I would like to have a statement from the parliamentary secretary regarding this problem in general. I know the fact that we vacate these taxes to the provinces means that it is certainly not the federal government alone that can act to alleviate the situation; but surely the federal government, in so far as it is still in the succession duty field, has a role, with the provinces, to play in bringing about what

I think—I am not going to detail my remarks with any specific data at the present time—could be a solution to this problem. General information to which I have access leads me to believe that the problem is still a very real one at the present time and is deserving of further study in order that amendments or changes may be brought about to encourage family ownership and other types of ownership of small and even larger businesses; to encourage, in other words, the ownership of property.

Mr. Herridge: Mr. Chairman, I would like to make a few remarks following upon those made by the hon. member who has just resumed his seat, because we in this group believe in legitimate, responsible, private enterprise where there is no degree of exploitation of the community or the nation. I raise this point at the request of a number of constituents who have been faced with unexpected problems in recent years. Many persons are expressing concern because they were not affected a few years ago but are affected now. I refer particularly to heirs of farmers, the owners of small family industries and small businesses, and persons of that type.

I think this situation has largely come about as the result of the general increase in land and property values, which very often have little effect on the actual operation of the farm. There has been little increase in real wealth as far as the farm is concerned, but property values established as the result of developments in the district, or because of an increase in general property assessments in the area in which the small industry or business is located, have created this problem. Because of this situation, which has developed quite rapidly in the last ten years, a number of persons, the heirs of farmers, the heirs of persons operating small industries or small businesses, have been suddenly faced with an unexpected demand for estate taxes. I am not blaming the federal or provincial governments in this respect. However, it does come as a shock, and I have known a few cases where because of this valuation of properties people have been forced to sell a farm which had been in the family for generations and which they would have liked to carry on, or they have been forced to sell a small business.

I am thinking now of one case in my district of quite a successful farmer whose farm is worth say $175,000. If he were to die suddenly, his heirs would be faced with an unexpected demand for cash for estate tax, which I am quite certain they would not be able to meet and it would mean the sale of this family estate or farm. I am not speaking of a large property, but it is a valuable one because they produce fruit and the farm is located in the Arrow lakes district, which is so valuable for this purpose. A number of people have been to lawyers in the district to get a thorough explanation of the relationship between the federal estate tax and the succession duty tax in British Columbia. I have been told that even lawyers are baffled by the complicated nature of these relationships, and are sometimes unable to give a clear definition of just how the law would apply under certain circumstances. I understand that in order to overcome this difficulty gentlemen of the legal profession are advising their clients to incorporate, but in some cases they do not wish to do this and it does not meet the situation.

Following the remarks made by the hon. member who has just resumed his seat, Mr. Chairman, we would like to hear the parliamentary secretary—who I know is most capable in matters of mathematics, economics, and that sort of thing, because these matters are within his particular field, and we recognize this—make a general statement on the policy with regard to estate tax and the policy of administration when it comes to the collection of estate tax from heirs of the type I have mentioned. Then I would like the parliamentary secretary to give, for the information of hon. members of the committee, a general résumé of the provincial legislation in effect in each province in Canada and its relationship to the federal Estate Tax Act. I believe that is not asking too much on this very important question.

Mr. Benson: Mr. Chairman, I think the entire discussion of the two hon. members who have just spoken is out of order, in view of the resolution which is before the committee at the moment. However, I would refer them to *Hansard* of December 9 because—

Mr. Grafftey: Why?

Mr. Benson: I think it is out of order because it does not deal with any of the particular items which are before the committee for amendment. However I would like to refer them to my statement in *Hansard*—

Mr. Grafftey: On a point of order, Mr. Chairman, and just for clarification, I do not believe this discussion on the estate tax resolution is out of order. If I had found the necessary amendments in the resolution to alleviate the problem which I mentioned, perhaps I would not have had to raise the subject. Are we out of order, Mr. Chairman, when in general debate at the resolution stage we raise matters definitely relating to the Estate Tax Act, just because they are not included in the detailed clauses of the bill? I believe an hon. member is not out of order in the debate on the Estate Tax Act reso-

lution when he raises problems which perhaps need to be dealt with under this heading. I think we should have a clarification on this point at this time, Mr. Chairman.

The Chairman: If the hon. member wants a clarification I will have to tell him that a debate on an amending act does not open up discussion on the whole act, so that when we have before us certain specific and particular sections of a statute which are being considered in committee, we cannot discuss other sections of the statute which are not before the committee. I think this is generally recognized practice.

Mr. Benson: Mr. Chairman, I merely wish to bring this point to the attention of the committee. I would in this regard refer hon. members to my statement as reported in *Hansard* of December 9 in which I dealt with this particular problem in some detail. I tried to deal with it fairly at that time. As a matter of fact, something of what I said was misinterpreted. I stated at that time that any decision that would allow people to pay their succession duties or estate taxes by instalments would of necessity require consultation with the provinces, which was interpreted as my being against such consultation, and of course I am not against it.

I think it is completely unfair for the hon. member for Kootenay West to want me to explain the implications of all the succession duty acts in Canada when dealing with this particular resolution.

There is a problem in connection with family businesses which exists in this field and, as hon. members know, the officials of the Department of National Revenue have been looking at this problem for some time. One of the great difficulties with which they have had to deal is the fact that nobody comes forward and gives us a specific example of a business which has had to be sold because of having to pay the estate tax. People talk of this generally but do not come forward and say that a particular business must be sold because of this.

Incidentally, with regard to the little farm in the Kootenays the hon. member was talking about—and I am sure farms are very valuable out there—which would be worth $175,000. On a quick calculation it seems to me that the person involved would have to pay approximately $22,000 in estate tax and succession duties. It would not seem to me impossible for such a person to be able to raise $22,000 with $175,000 as security. I am not in any way minimizing the arguments which have been put forward to the effect that there should be some way of paying estate tax and succession duties on an instalment basis, and I am sure that when consultations take place with the provinces—and I believe consultations have to take place before major changes can be made—this matter will undoubtedly be discussed.

Mr. Herridge: Mr. Chairman, just one last question on this point. I admit that it is rather difficult to get all this information immediately, but the minister is backed by an excellent and efficient staff. Could he provide hon. members with an outline of all the provincial legislation and its relationship to our Estate Tax Act? I think this is necessary because numbers of people are finding this matter very difficult; and this includes even the gentlemen of the legal profession who are supposed to know these matters.

Mr. Baldwin: Mr. Chairman, on the point of order raised may I just make a reference to the fact that the preamble to this resolution reads in this way:

> That it is expedient to introduce a measure to amend the Estate Tax Act and to provide among other things:

—and so on. I do not think that there is a limitation here. I think that this is the sign of a government which I hope is prepared to listen to the excellent suggestions which flow from this side of the house; and it may be that when the bill following this resolution is introduced the suggestions which have been advanced from the opposition benches might receive consideration. We might find these suggestions reflected in the bill itself. Once the bill is before the house, then I do not think there is any question that we are limited to what is there; but with respect I would suggest that there is some leeway here, bearing in mind that the resolution does not purport to restrict the proposed amendments within the four corners of the five subparagraphs of the resolution.

The Chairman: Without trying to make a general ruling the only thing I can do is to refer hon. members again to standing order 59 (2), which says that in committee discussion must be strictly relevant to the item before us. I would think that every specific contribution to the debate should be judged in the light of that standing order.

[*Translation*]

Mr. Caouette: Mr. Chairman, if I understand correctly the proposed amendment to the Estate Tax Act, it changes very few things or a great many, depending on how you look at it.

Thus the amendment proposed in paragraph B of clause 1 would mean that the 75 per cent abatement is the result of the

federal-provincial agreements entered into at the federal-provincial conference held recently in Quebec or the conferences that followed one another in the past several years.

As pointed out so accurately by the hon. member for Quebec-Montmorency (Mr. Marcoux), we are faced with a torrent of words that make up a puzzle, that perhaps 25 hon. members can understand but that 235 do not understand at all and never will. In fact, the parliamentary secretary to the Minister of Finance (Mr. Benson) admits himself that it is difficult to read, especially to understand. It reads well but it is hard to understand, he says. And he adds that the previous act was still more confused, in short more ambiguous.

Instead of introducing amendments of all kinds, they should go straight to the point and say: the federal government withdraws from one taxation field, so that a province can take it over. They should not come up as they do with a torrent of words such as those, in an effort to confuse further the Canadian people. Even lawyers would not make anything out of the terms used in the clause or amendment submitted to us.

For instance, clause 2 reads as follows:

That the limit of $1,500 on the amount of certain kinds of property passing on the death of a deceased person—be increased to $2,500—

There is no need for seven lines or so many meaningless words. For example, it is mentioned:

That the limit of $1,500 on the amount of certain kinds of property passing on the death of a deceased person—

This means the spouse. Everybody understands that.

—that may be transferred, delivered or paid over to any person resident in Canada without the consent of the minister, in the case of any one transferor, deliverer or payer, be increased to $2,500—

Mr. Chairman, I am quite sure the parliamentary secretary must have felt like laughing when he read that subsection or, rather, that sentence.

—and that such kinds of property be extended to include an amount payable under a policy of insurance in respect of sickness or accident in which the deceased had, immediately before his death, a beneficial or other interest.

Mr. Chairman, at this stage of the discussion, I should like the parliamentary secretary of the Minister of Finance to tell us flatly that the idea is to have the provinces take over that field of taxation from the federal authorities. There is nothing else. Let us not try to fool the public by saying that the tax rate or the succession duties rates which the federal government collected previously are being reduced.

It is agreed between the central government and certain provinces, in this case Quebec, that the central government withdraws from that field of taxation so that the province of Quebec may collect the money which was previously collected by the federal government. There is absolutely no reduction of the tax. As a matter of fact, the people of Quebec will have to pay exactly what they were paying previously, if not more.

That is why I say that this measure is the result of the federal-provincial conference which was held in Quebec recently, and that is what I would like the parliamentary secretary to admit frankly, without any back door method and without mental reservation.

[*Text*]

Mr. Benson: Mr. Chairman, I do not think, in the circumstances, that I have to admit anything. I would remind the hon. member for Villeneuve that my statement on introducing these particular amendments was, I believe, quite clear. I said that the first paragraph of the resolution as presented is to implement the agreement which was arrived at with the provinces here in Ottawa. I stated that quite clearly. With regard to the number of words used in the particular amendment, I am not an expert on the use of a torrent of words but I am informed that it was necessary in the case of clause 2, the clause referred to by the hon. member, to use this number of words in order to tie it in correctly as an amendment to section 47 (3) of the Estate Tax Act.

Mr. Rynard: Mr. Chairman, I have a few remarks I should like to make. First of all, I think the hon. member for Quebec-Montmorency expressed the thoughts of many of us on this Estate Tax Act. It is far too complicated for the ordinary person to understand. I think it is the right of the ordinary person who earns the money and pays the shot to have laws written so that he can interpret them.

An hon. Member: Oh boy.

Mr. Rynard: Someone says "Oh boy!", but I say this act is difficult to understand. The same criticism is made in our profession—that it is sometimes difficult to understand what we are saying. A language should be a communicable language so that the ordinary person can understand it, whether it be in the legal profession, the medical profession or any other profession.

Mr. Baldwin: Or the Secretary of State for External Affairs.

Mr. Rynard: I should like to make the suggestion, although I may be wandering a little afield, that there should be a uniform estate

tax throughout Canada. We hear talk about tax sharing agreements. I should like to know why in the world the various finance ministers across Canada cannot get together and work out something that will not be so complicated. Today we have the parliamentary secretary telling us that he cannot do anything because of provincial legislation. I say to him that it would add something to the unity of Canada if a national estate tax policy were adopted, and the government should start to work on it so that people across Canada will know where they stand, no matter in what province they live. Today people move from one province to another much more often than a few years ago.

I am wondering about the amount of $2,500 that may be transferred without the consent of the minister on the death of a person. I know this amount represents an increase and I want to compliment the government for increasing it. But surely $2,500 today is a pretty small amount when you consider that somebody who has been sick and has died will have incurred hospital bills over and above the amount provided for by hospital insurance. In addition there would be nurses' accounts to look after. The beneficiary has to live, eat and pay rent and other expenses. The result is that in a month or two all the money on hand is gone.

I know the parliamentary secretary will say that all such people have to do is to apply to the estate tax people and they will give them some money. However, this is at the whim of the officials. I do not say they are necessarily not going to rule reasonably, but they are quite far removed from the actual events and do not understand the whole problem, although they do the best they can. We know that the dollar is eroded every year by 2 or 3 per cent and therefore I suggest that to be realistic this amount should be $5,000 instead of $2,500.

I also want to say a few words on the matter of annuities. Not being a lawyer, I am not quite clear why this provision is not written so that I can understand it. However, let us say that a father buys an annuity for one of his sons and he pays for it in one lump premium. The annuity for his son or possibly his grandson comes due in 20 years. It may be an educational policy. What happens if the father or grandfather dies after 10 years? What is the difference in treatment with regard to an annuity if he is making yearly payments and has to pay 20 premiums?

I want to conclude my remarks by saying that I certainly feel badly that nothing can be done for women who have worked to build up estates. The husband passes on and the widow is not allowed any credit for what she has done in building up the husband's estate.

[Mr. Rynard.]

I think this is very bad. Some women can go out to work for 20 years and build up an estate, but the woman who stays at home on the farm or the woman who stays at home to raise her children until they get through high school is treated as if she has not done anything to build up her husband's estate. I do not think that is right or fair and I am hoping that the government will do something about the matter. I hope something can be devised that will apply across Canada whereby women will be treated more fairly.

Mr. Benson: I should like to deal with a couple of the matters raised by the hon. member for Simcoe East. With regard to the point about the complexity of the Estate Tax Act, I stated earlier that the present act is really a simplification of the former succession duty act, and I can assure the hon. member that it is much simpler than the succession duty act was.

Mr. Rynard: Perhaps we will get there yet.

Mr. Benson: With regard to aiding laymen in preparing succession duty returns, first of all I must remind the committee that someone leaving a widow has to have an estate amounting to $60,000 before any estate tax is payable. Usually these returns are handled by lawyers in the course of dealing with the estate as such. There is a four page guide for filing returns, which is available to anyone. It is almost a layman's guide to assist people in filing estate tax returns.

With regard to the matter of the $2,500, which is being raised from $1,500, it is $2,500 from each bank in which the deceased may have had an account, so it might amount to more than $2,500. If he had accounts in several banks, $2,500 could be paid out of each one of them. In addition, if he had a sickness or accident policy there would be another $2,500 available there. This amount is exactly the amount which was requested by the Canadian federation of business and professional women in their brief to the government on this particular matter.

I agree with the hon. member that it would be nice to have one estate tax act across the whole of Canada. Certainly I should like to see similar legislation all across Canada in regard to other statutes such as the Companies Act. I think something may be accomplished in this regard in that the recent federal-provincial conference agreed to set up a taxation committee to consider matters of taxation, and I certainly think that the question of a uniform estate tax act across the country could and perhaps should be considered by this group.

I dealt earlier with the problem of the recognition of the woman's part in contributing to the estate, and the Minister of Finance also dealt with this matter in his budget speech. I expressed the view that while the government felt something should be done to recognize, beyond the $60,000 exemption, the contributions of women to building up estates of deceased persons, it was felt that this could not be done until there had been consultation with the provinces, in that 75 per cent of the revenue arising out of the estate tax goes to the provincial governments.

Mr. Addison: Mr. Chairman, everyone in the house seems to hold the same feeling of great concern about succession duties or estate tax goes to the provincial governments. taxation between the provinces and the federal government, the hon. member for Simcoe East referred to a national estate tax policy and the parliamentary secretary answered that he would encourage such a move and hoped that there might be such a policy.

I see a great danger as more succession duty taxing power is placed in the hands of the provinces. We have had examples of tax havens in order to encourage people to move to such areas where there are no succession duties. The Bahamas are one area and Monaco is another.

I can appreciate the difficulties of the provinces in attempting to attract capital within their own boundaries. They might, in order to do this, reduce the amount of the succession duty and get into competition with one another in attempting to attract capital for their own provincial areas.

I suggest to the parliamentary secretary that, in so far as taxation is concerned, people do not have to live within boundaries of Canada. Today it is not necessary for someone to remain in Canada. Persons who build estates have the privilege of moving to an area in which there is no succession duty. I would agree with one of the earlier speakers, that there is today in Canada a process of liquidating family owned businesses in order to provide ready cash for succession duty purposes. This money could very well be used for the expansion of that business.

The parliamentary secretary referred to the possibility of establishing an instalment plan for the payment of these duties. This might very well be considered, or we might consider freezing the estate at a certain value. This might not be the time or the place to discuss this suggestion. However, I feel the parliamentary secretary should consider the suggestions that have been put forward today, one of which was the establishment of a national estate tax so there would be no difference in rate as between the provinces. If this trend continues, and one province is asking for 100 per cent of succession duties, I believe there should be a move to establish uniformity of succession duties as between the provinces.

Mr. Lambert: I have a few remarks to make, plus one more question to ask. First of all, with regard to what the hon. member for York North had to say, I believe it was the motive of the previous administration in passing this Estate Tax Act to introduce some uniformity in estate tax matters across the country. I am speaking subject to correction, but I believe there are only three provinces at the present time who seem to pursue an independent succession duty policy. They are British Columbia, Ontario and Quebec. The other provinces work under this act and take a portion of the revenue derived therefrom. I think that it is a good model.

The hon. member for Simcoe East and the hon. member for Quebec-Montmorency, both of whom are practising physicians, criticized the lawyers for the drafting of this act. I find this rather paradoxical in view of the mysterious language of a medical certificate because, in my view, that is the absolute mystery of mysteries. Then, the hon. member for Quebec-Montmorency mentioned the plight of the poor person in dealing with this act. Since the death duties start when an estate is valued at $60,000 and the widow is given $10,000 for every dependant, I cannot feel that those concerned are entirely poor people. The hon. member may have been referring to some of the provincial acts about which I have no comments. When we are talking about the equality of women and the emancipation of women I may say, as an aside, that some people have suggested we should make an amendment to bring about an equality for men, because a male survivor is entitled to less consideration than is a widow, even though the income earning capacity has been on the side of the female partner to the marriage.

I am again concerned with paragraph 3. I should like the parliamentary secretary to advise me why it is, when there is included in the estate of a deceased the value of a life tenancy, that the life tenancy should be valued on the basis of the capital of the estate. Perhaps he could clear up this point. The way I interpret it, a life tenancy is valued on the basis of the estate from which it is paid, and I would have thought the life tenancy would be based on some sort of actuarial table and, in the case of a person who has died, this life tenancy should come

to an end. I may have completely misunderstood the nature of the amendment, and I should like to have some clarification.

The last point I should like to make is one which arises from one of the complexities of the various succession duties acts, and that is the right of certain provinces to declare the situs of personal property. We may have a person who has lived all his life in Alberta and who has accumulated an estate including shares in a corporation whose head office is in the province of Ontario or Quebec. These two taxing authorities will, of course, exact their portion of the death duties in the case of the death of a person in Alberta, because the transfer agent of the company will require a clearance from the succession duty authority of the province of either, say Ontario or Quebec. I must confess this causes some problems in cases where there are multiple transfer agents. For the life of me, I cannot see how the provinces of Ontario or Quebec can say they have the right to levy succession duties on the estate of a person who has lived solely in the province of Alberta. The only connection with the province of Quebec, say, would be that the estate owns some shares in a company that happens to have its head office in Quebec and therefore succession duties have to be paid on that basis.

It is true that we may not be able to do much about this, but I think it is completely wrong. The valuation of the shares may be based on the operations of the company outside the province of Quebec, especially if it happens to be an interprovincial company. I am only using Quebec as an example, and I do not say that this province alone acts in this fashion.

Mr. Benson: First of all, I should like to deal with the two questions raised by the hon. member. Paragraph 3 deals with the taxation of the capital of a trust fund where the deceased has kept the income or reserved a benefit in the fund.

The problem of situs raised by the hon. member is a difficult problem. The position of the provinces in this regard is that the law which governs them arises out of the common law and they are not able to vary the common law. It arises out of decisions over the years, whereas the rules used by the federal government in the Estate Tax Act are statutory, although generally based on the common law.

Mr. Lambert: I think it is the reverse. With the greatest respect I think so, in that the situs principle adopted by the provinces is that which applied to land, whereas the common law concerning personal property is that personal property follows the domicile of the owner. But in these cases they have taken the real property principle, that is, that ownership of shares and taxability of shares should be governed by the situs of the head office.

Mr. Benson: I am informed by the officials that what I stated a few minutes ago was correct, and that provincial situs of shares, which was the particular question raised, arises out of the common law, so that the situs is the point at which they are transferred rather than the point at which they are resting.

Mr. Flemming (Victoria-Carleton): My question concerns paragraph 3. To my knowledge there are a good many estates that are left to a beneficiary for the lifetime of the beneficiary, and in most cases on the death of a beneficiary they go to children. Is it contemplated under this paragraph that the interest which, say, a widow has had in an estate for the period of her lifetime shall be included in property declared by her at her death?

Mr. Benson: The answer is no.

Mr. Flemming (Victoria-Carleton): Because she would be taxed twice if that were the case.

Mr. Benson: The answer is no.

Resolution agreed to.

Resolution reported and concurred in.

ESTATE TAX ACT

Hon. W. M. Benidickson (for the Minister of Finance) moved for leave to introduce Bill No. C-94, to amend the Estate Tax Act.

Motion agreed to and bill read the first time.

CUSTOMS TARIFF

Hon. W. M. Benidickson (for the Minister of Finance) moved the second reading of Bill No. C-92, to amend the Customs Tariff.

Motion agreed to, bill read the second time and the house went into committee thereon—Mr. Batten in the chair.

On clause 1—*Schedule A amended.*

Mr. Benson: Mr. Chairman, this bill provides for the implementation, without change, of the proposals which were set out in detail in the budget resolutions, and which the committee of ways and means already has examined on an item by item basis.

There is not much I can say about the substance of this bill without repeating what has been said already when the resolutions

were considered in committee. For this reason my remarks will be brief and confined to the structure of the measure.

Hon. members will note that clause 1 of the bill provides that certain existing tariff items be struck out and that there be substituted therefor the revised items which are set out in detail in Schedule A. This schedule is divided into two parts which implement resolutions 1 and 3 respectively.

No doubt many hon. members will recall that resolution 1 dealt with a negotiated package of tariff items arising from two tariff board reports, and that resolution 3 proposed a mixed bag of miscellaneous amendments. All of these were relieving or clarifying provisions. We have already been through the list once. Accordingly I shall say no more about it, except to repeat that this miscellaneous group of proposals does not include a single tariff increase. This is not, of course, the case with the negotiated package set out in Part I of Schedule A. It is a self-balancing package including both increases and reductions.

Clause 2 of the bill provides for the new drawback item that was proposed in resolution 2. It is as recommended by the tariff board in its report on reference 129, tableware and glassware for decorating.

Clause 3 of the bill is the coming into force provision and flows from resolution 4.

As I said earlier, this bill implements what was proposed in the tariff resolutions without any change of substance whatsoever. Indeed, even the changes of form are the minimum necessary in order to convert the resolutions into statutory form.

Mr. Lambert: Mr. Chairman, there are a few points I would like to raise in regard to the detail under clause 1, and since I shall be dealing with the schedule, I might be permitted certain leniency in this respect so that we can clear up our discussion that much sooner. I am particularly concerned as to the implementation of the recommendations of the tariff board with regard to oil country goods, that is goods that may be manufactured in Canada under licence and which go into oil production.

These resolutions, as included by the Minister of Finance in his budget proposals, arose out of a reference to the tariff board of some years standing, and which covered not only goods entering into the production of oil and gas but also goods in connection with the mining industry. I was very pleased to see the present administration followed what I felt had been the philosophy of the previous administration in this regard. I say this because I think these provisions should, in the long run, provide our industry, not only in central Canada but in Alberta with a strong shot in the arm. Canadian industry involved in the production of goods and machinery for the oil industry has been subject to a disproportionate tariff balance as compared with United States industry.

As we know, when the oil industry started in this country back about 1947 Canadian facilities for the manufacture of any of this equipment were practically non-existent. But with the passage of time various business concerns have branched out into this field of activity and other firms have been founded to engage in the manufacture of these goods, a number of them by specialists in this industry who had come from the United States or from the United Kingdom. We know that in several cities of western Canada, particularly in Calgary and Edmonton we now have an extensive secondary industry in this regard.

One of the first steps to be taken was the provision of tariff protection for the manufacture of sucker rods, and an extensive business was established in Edmonton as a result. As a matter of fact, one concern which had gone bankrupt was able to get back on its feet and is now a very successful enterprise. I should like to know whether the parliamentary secretary can advise as to what extent the government considers it possible to forecast an increase in the manufacture of oil country goods in Canada as a result of these steps. I am looking for some technical information which was, I believe, at the disposal of the previous minister of finance, in order to encourage the government to enter upon this type of change. If it is only done as a matter of course in answer to representations, one wonders why it is being done at all. I think it is obvious the government has felt that these steps will lead to an increase in the manufacture of oil country goods in this country, and maybe some yardstick could be given us.

With reference to the term "oil country goods" and item 491 as it appears in the first schedule, I should like to know whether this will include specialized equipment having to do with the development of tar sands. As we understand it, the production from tar sand will not come from wells—

Mr. Benson: If the hon. member will permit me to interrupt, this is dealt with specifically in item 492c of schedule A.

Mr. Lambert: Oh yes. Then perhaps the hon. gentleman could tell us what margin of protection is now being given. There has, naturally, been an exchange of some concessions in bargaining to lead to these tariff changes, particularly in the most favoured nation category. Previously, if the goods were

of a class or kind not made in Canada, in the most favoured nations tariff category the rates could go from 22½ per cent to free. Now there is a standard 10 per cent.

To turn to another matter, under item 492(d) we know that there will be permitted free entry into Canada of materials for use in the manufacture of goods set out in tariff items 491 and 492. I should like the parliamentary secretary to tell us why. If it is intended that there should be a moderate degree of protection to Canadian industry manufacturing the finished goods, then the person or firm providing the materials which enter into the manufacture of those goods should enjoy a similar degree of protection. Let us take bolted steel tanks. I do not know what level of tariff would be imposed on the sheet steel which goes into the manufacture of the tanks. But if my interpretation of 492(d) is right, a foreign manufacturer of sheet steel used for the manufacture of steel tanks would enjoy free entry into this country if he could bring in the material under the terms of this item 492(d). The Canadian manufacturer has a choice; he can obtain his steel either from a Canadian manufacturer or from abroad. Would the parliamentary secretary advise me whether my thinking on this has been correct—that the manufacturer or furnisher of materials entering into the manufacture of oil country goods does not derive the protection which is given to the manufacturer of goods as envisaged in these particular tariff changes?

I have one last question and it has to do with the purpose of item 848. The amendment reads:

> *Drilling bits, n.o.p., and parts thereof,* for use in exploratory or discovery work in connection with, and development, depletion and production of, petroleum or natural gas wells.

These items are to be admitted free. I am wondering why drilling bits, which can be manufactured in Canada and which, I would feel are brought in under some other item which is covered by some form of duty, should now be admitted without liability for duty. These are the questions I have to raise in reference to the oil country items and if the parliamentary secretary would reply to them I think I am just about clear as to the others.

Mr. Benson: First, as I mentioned in my introductory statement, the purpose of the first two resolutions is to implement the recommendations of the tariff board with regard to oil country goods. I might tell the committee again that there were increases in some items and decreases in other items but, generally, there was an overbalance toward an increase as compared with a decrease. We had to make concessions with regard to bread, wax and barytes in order to negotiate the package with our trading partners.

Of course, with a slightly increased tariff one would hope there would be an increase in manufacturing or, at least, a maintenance of the scale upon which these particular goods are manufactured in Canada. However, I think it is impossible to forecast exactly what will happen because so much depends on what will happen in the oil industry itself. If it goes well, then, of course, we believe that manufactures associated with it will continue to expand. Indeed, that probably would be the case without the tariff changes. I should like once again to stress that the oil industry and the manufacturing industry seem to be satisfied with the changes and there have been no complaints to us about them.

First of all, Mr. Chairman, under item 492c machinery and apparatus used in extracting oil from shales and sand will be dutiable at the same rates as similar machinery and apparatus used in connection with oil wells; that is, at rates of 5 per cent British preference and 10 per cent most favoured nation, when of a class or kind made in Canada, and free when not made in Canada. This will provide an incentive for Canadian manufacturers to produce some of this equipment as the demand for it expands, while at the same time affording duty free access to imported equipment of a kind which cannot be obtained in Canada.

Mr. Lambert: Mr. Chairman, would the parliamentary secretary please advise me how the sales tax applies here. Is this one of those items which, if it is imported free of duty, will not attract sales tax, or is it free of sales tax in any event?

Mr. Benson: I cannot answer that question off the cuff, Mr. Chairman. I shall be pleased to look into the matter for the hon. member. It requires looking into the Excise Tax Act, which is not being considered at the moment. I will look into the matter and advise the hon. member of the position.

Machinery and apparatus of a class or kind not made in Canada for producing unrefined oil from shales was duty free under item 410c(i). If made in Canada, it was dutiable under item 427(1) or 446a at 10 per cent B.P. and 22½ per cent M.F.N. Machinery and apparatus for extracting oil from oil sands was duty free under item 410c(ii).

With regard to item 492d, the reason materials entering into these items were made duty free was that in some instances there would have been serious anomalies where items were themselves subject to only a 10 per cent duty when coming into Canada—there was a 10 per cent protection for them in Canada—but

the goods used to manufacture them would have been coming into this country at varying rates up to 22½ per cent. This was really put in to tidy up the tariffs with respect to the items used in the manufacture of these goods.

Mr. Lambert: This was a negotiated item, was it?

Mr. Benson: Yes, it was a negotiated item within the whole package. The other item mentioned was No. 848, and I should point out in respect of this item that in volume 2 the board recommends free entry for bits not manufactured in Canada, and previously, there were rates of 5 per cent B.P. and 15 per cent M.F.N. on those made.

Clauses 1, 2 and 3 agreed to.

Schedule A agreed to.

On schedule B.

Mr. Lambert: Mr. Chairman, with regard to item 237a, would the parliamentary secretary give me an explanation as to the date July 1, 1966 with regard to deuterium oxide and heavy water. Has this any relationship to the possible production of deuterium oxide in Canada after that date?

Mr. Benson: This extension for a two year period allows one to look at the position at that time and reconsider it in view of developments within the country.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Benidickson (for Mr. Gordon) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

The Acting Speaker (Mr. Batten): Order. It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions.

AGRICULTURE

TOBACCO—REQUEST FOR INCREASED EXPENDITURES ON RESEARCH

Mr. Jack Roxburgh (Norfolk) moved:

That, in order to ensure the continuance of the vital part being played by the tobacco industry in the economy of this nation, this house is of the opinion that the government should consider the advisability of providing a much larger grant of money to be used toward research and experimental work in the production and processing of tobacco.

He said: Mr. Speaker, I would like to point out as briefly as possible the value of tobacco farming to the people of Canada and to those of Ontario in particular. However, before doing so may I say I have neither direct involvement nor financial interest in the farming, the manufacturing or the distributing of tobacco. However there is one thing that I do have, and that is a direct concern for all the people involved in all these activities. Whether we call it health or whether we call it economic life, just let us remember that we are dealing with people, and people are my immediate responsibility and the responsibility of all members in this house. Until about 40 years ago the sandy wasteland along the northern shores of lake Erie was of little value from an agricultural viewpoint. The provincial governments of that time spent millions of dollars in reforestation programs and reclamation projects. Then in the 1920's tobacco culture started to transform this unproductive land into one of Canada's most prosperous farm areas. Within the last 36 years flue cured tobacco produced in Ontario, and on this land in particular, has increased from some 5 million pounds to close to 200 million pounds. In dollars and cents, it has increased from a $2 million industry to a $100 million industry today.

Just how well this former wasteland is utilized becomes apparent when one considers that flue cured tobacco produces by far the highest farm value per acre. In 1962 it was $788 per acre, which was only exceeded by an all time high of $881 per acre in 1960, compared with $46.50 which is the average for all remaining field crops in Ontario. This works out, by the way, to a ratio of 17 to 1. In all, tobacco accounts for about one fifth of Ontario's gross value of field crops and 10 per cent of the province's total farm cash income from the sale of all farm products.

Canadian tobacco farmers now supply over nine tenths of the basic raw material used by the tobacco products industry, which employs about 10,000 people. I should like to draw attention to the fact that the annual selling value of factory shipments totals approximately $600 million, including excise duties and taxes, the bigger percentage of which, incidentally, flows into the federal tax coffers.

Yes, Mr. Speaker, the tobacco industry is the most highly taxed of all industries in the Dominion of Canada. I will not go into detail on this aspect of the industry, but I should like to point out that the federal tobacco taxes provide 7 per cent of the federal budgetary tax. This certainly contrasts very sharply with the picture in the United States, where tobacco taxes provide 2 per cent of the federal budgetary tax revenue. Yet the government of the United States believes that the tobacco industry is so important to the economy of that nation that a multi-million dollar crash

program on research to remove health hazards from smoking has won full approval. In comparison, our Department of National Health and Welfare set aside some $200,000 over a five year period, which means about $40,000 a year, which I should think is hardly enough to buy postage stamps to carry on an effective campaign in research.

Mr. Hales: Mr. Speaker, I think the hon. member meant to say $600,000, not $200,000.

Mr. Roxburgh: No, it is $200,000. The other $400,000 has nothing to do with research but is connected with educating the children in schools. I am talking of the research program itself, which is exploring the reasons why people are smoking. The other $400,000 has nothing to do with research in the way I am sure most of us would think of research. However, I will come back to this question a little later on.

In the meantime I should like to bring to the attention of the house some important facts relating to the tobacco industry and to present Your Honour with a few illustrations. I am sure that everyone in this house as well as the people of Canada will agree that the building of the St. Lawrence seaway was a tremendous and courageous task, not only with regard to its construction but also in the raising of the money. Hon. members may ask, what has this to do with the tobacco industry? I would say simply this, that one year's federal excise tax on tobacco would provide 80 per cent of the original cost of the seaway. Or, in dollars and cents, that means something like $400 million a year, or better than $1 million a day.

In these days of demand, both by the government and by the people of Canada, for industry in Canada to be Canadian controlled, it is gratifying to know that here is one industry that is as close to being 100 per cent Canadian operated as can be hoped for. In 1926 Canadian tobacco represented only about one quarter of the cigarette tobacco consumed in this country. Today it is 99 per cent.

Do you realize, Mr. Speaker, that tobacco farmers hire some 50,000 seasonal workers and pay them some $35 million a year as wages; and that the use of insecticides and fertilizers by these tobacco farmers runs into millions of dollars annually? Do you realize that there are something like 90,000 retailers selling tobacco throughout the country and doing $130 million worth of business? Do you also realize that 500,000 pounds of string similar to that used by stores to tie up parcels is used by tobacco farmers to tie up their tobacco in the fields? Do you realize, for example, that the provision of cigarette paper alone is a $2 million a year business; that cellophane is a $3 million a year business; that filters are $6 million a year business; that foil is a $5 million a year business; and that cartons for shipping purposes are a $10 million a year business? I just offer those few thoughts to show the part the tobacco industry is playing in the economy of this country.

Coming back to the farmer himself who grows tobacco, what he and his land means to the community and to the surrounding areas in terms of dollars and cents is astounding. For example, let me take property taxes. I could give a number of examples, but in order to save time I will give only one, that of a general farm situated on light soil. This farm has been owned by the same family for over 100 years. The property tax on that farm is $416. A nearby tobacco farm on similar soil, with only 102 acres—48 acres less—has a property tax of $1,223. In other words, in the case of two farms on similar soil, one a tobacco farm and the other a general farm, the tobacco farm is returning to the community three to four times the amount of tax of the other farm. May I add —and this is ironic—that the man who owns the tobacco farm, which used to be practically waste land, has to go out and work extra hours in order to make a living. His job is that of a carpenter and he has to build tobacco kilns in order to help balance things out a little.

In the tobacco counties of Norfolk and Elgin as well as Essex, Oxford, Brant and Durham, the municipal services which have been provided have been based on the revenue from flue cured tobacco. Without this revenue the counties' whole economic structure would collapse. For example, the debenture issue outstanding would be an impossible burden on the taxpayer. In Norfolk county alone the additional tax on tobacco land, assessments on kilns and greenhouses, and so forth, amount to something like $17.5 million annually. So I am sure you can readily understand, Mr. Speaker, that the impact of tobacco is tremendous both on this and on other communities where tobacco is grown. Tobacco affects every business from the barber to the banker. Said a banker in the town of Tillsonburg: "Around 68 per cent of the business of this town is contingent on tobacco".

May I now deal directly with the motion, which asks that more money be set aside not only for experiment and research in relation to smoking and cancer, but also, and this is very important, at the ground roots level in the production and processing of tobacco under the supervision of the federal experimental farms at Delhi and Harrow, Ontario.

Talking of research, I feel sure that there is a field of research in the tobacco industry that has been given little or no thought, and that is for tobacco to be put to other uses. I should like to see very extensive research done along this line to be sure that this plant cannot be used for other purposes. To a degree it is now. We all know that there are a great many products emanating from industries which have no connection whatever with the original products of these industries. The best example I can think of is the dairy industry; and the best example of that industry is milk. No one would have thought a few years ago that milk, which is babies' food, would be used in the production of plastics. There is a future in everything and we have to give this full consideration.

There is little doubt that in the past few years the tobacco industry's experimental work in Canada has come almost to a standstill. I am talking about the experimental farms at Delhi and Harrow. Other countries were helped to get going in the production of tobacco by the tobacco industry in Canada and by the experimental stations at Delhi and Harrow in particular. Now these countries are moving far ahead of Canada.

One of the best examples I can cite is Rhodesia. The Rhodesian government and growers realize that if the industry is to go ahead they must have the latest information in research along all lines from plant pathology to selling. Because of this belief the experimental station in Rhodesia employs somewhere around 60 people, from top scientists to ordinary help, which is about four times as many as in Canada. These men are working in many different departments such as agronomy, entomology, plant pathology, engineering, which has to do with producing tobacco machinery, soil chemistry and so forth. They are also putting great effort into research at the Rhodesian station in order to sell tobacco. The result is that 90 per cent of the tobacco grown in Rhodesia is sold outside of that country. Even Japan, India and Australia are going ahead by leaps and bounds in the tobacco industry. Australia, with only a quarter of the tobacco acreage that we have in Canada, has as many, if not more, scientists working on tobacco research as are employed at our own experimental farms in Canada.

As the member of parliament for a tobacco county, may I point out that the county of Norfolk produces almost half the tobacco grown in the Dominion of Canada. I feel it is my duty to bring these facts to the attention of the house. However, I should like to add that the Department of Agriculture, under the very able leadership of Hon. Harry Hays, is giving this situation a thorough check and I have no doubt will be doing something to solve the problem of research in the not too distant future.

All that is required, of course, is money. Where is it going to come from? I do not know, but over the last 10 years the federal governments of Canada received over $3 billion in excise duties and taxes from tobacco. Back in 1952 the amount was $250 million while at the present time it is well over $400 million annually.

These moneys have been used for many purposes by the governments of Canada in the form of subsidies and so forth for many industries ranging from gold mining to agriculture, but they have never been used to any account at all to help the industry from which the moneys were derived. The former government did give backing to the banks so that the growers' organization could have money to process their tobacco, and the present government sent a mission overseas to see what they could do to sell tobacco. It was fairly, but not fully successful. To my knowledge this is all that has been done for the tobacco industry by the various governments over the years.

To those who say that Canada can import tobacco and still receive such taxes I will only say at this time that this is not as practical as it may seem and it will not return the same over-all amount of money. I should like to impress on all members of the house and the government in particular that the fact still remains that the Canadian tobacco industry is the highest taxed industry in Canada. Let us not forget that it is an industry which, if it remains as it is or increases in size, will continue to return to the government of Canada millions of dollars annually not only in the form of taxes but through the over-all economy of the nation itself.

It is certainly to the advantage of the government of Canada to keep such an industry well and flourishing. Therefore, is it not just common sense to take earnings from the business itself and put them to use to better that business? I know that moneys for government projects are taken from the general fund and I realize that this is the only practical way. However, why not base a grant for tobacco research programs on say 5 per cent of the income received by the government from the tobacco industry, which would amount to roughly $200,000 a year, not $200,000 in five years?

In summing up I should like to say that this government or any government cannot afford to let a business such as the tobacco industry go backward without making a real effort to sustain it. There is one way to help it and that is through an effective research

program. Money will be required. The business itself is giving that money to the government. Why not make use of a percentage of it to assist the business? Now, as never before, research is needed in the tobacco industry. Therefore I appeal to the government to see that moneys will be advanced for research and experimental purposes relating to the tobacco industry.

Mr. J. A. McBain (Elgin): Mr. Speaker, this motion of the hon. member for Norfolk (Mr. Roxburgh) suggests that the government give more consideration to providing a larger grant of money for research into the production and processing of tobacco. I would suggest that the hon. member should have added a few additional words and included after the word "processing" the words "marketing at home and abroad".

Let us review briefly the Canadian tobacco industry from the production standpoint. The production of tobacco first started in the province of Ontario in the counties of Essex, Kent, Elgin and Norfolk and later was introduced in the counties of Oxford, Brant and Middlesex and many others in the province. The first crops grown were cured by air. The air method of curing is by cutting the whole plant, splitting the stock and hanging it over a lath in a barn with partially open sides to allow the air to circulate around the plant and eventually to cure it. This method is still used in the production of burley tobacco.

By scientific research it was found that tobacco of the flue cured variety could be successfully grown on the more sandy soils in the counties I have mentioned. By this method of production and curing with the use of heat it has been possible to produce in Ontario cigarette tobacco of the finest quality of any country in the world.

Let us look at these areas that now produce this crop, tobacco, as they were previous to 1920 and to the first growing of tobacco crops. I happen to be old enough to remember my visits to the county represented by the hon. member for Norfolk, when a trip by car from my home in St. Thomas to the famous sandhills, a distance of less than 50 miles, was an experience to remember. In those days, on a trip through what is now some of the best tobacco land in the world the roads were only ruts in the sand, and once the wheels of the vehicle entered the ruts it was like being on the rails of a railroad. When you met an oncoming vehicle you had to look for a side track and endeavour to get your vehicle into that siding in order to let the other one pass. Many farms were abandoned, and those who were endeavouring to eke out a living were only able to do so by sacrificing repairs to buildings, fences, barns and so forth.

This county was very familiar to me as a young lad because it was the birthplace of my mother and from her I had learned of the hardships and privations of pioneering in this land that was later to be known as the producer of green gold. The hon. member has referred to land values. In those days land values in the tobacco areas ranged from $10 to $30 per acre, depending on the buildings and the amount of cleared land.

With the coming into production of flue cured tobacco, we find that in the space of less than 40 years a tremendous change has taken place in the complexion of this tobacco growing area. It is quite common today for a tobacco farm fully equipped with kilns, greenhouses, packbarn and other equipment, to sell for $1,000 per acre. As a result of this increase in land values and assessment, municipal councils have been able to show tremendous improvements by providing better roads, new schools, more drainage and so on. We have today some of the finest farms in Canada in the tobacco growing areas of Ontario, and they are a distinct asset to any community.

Tobacco growing has spread to many other areas in eastern Canada. In the province of Quebec the area represented by my colleague, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), is the chief producer of flue cured tobacco. We now learn that several Ontario growers have purchased some 1,000 acres of land near Shawville, about 50 miles northwest of Ottawa, and will be opening up a new area for production next year. Tobacco growing in the maritime provinces is a relatively new industry and is meeting with considerable success, as well as a few failures. Last year Nova Scotia produced 228,000 pounds from 218 acres grown by some eight growers. In New Brunswick seven growers produced tobacco on 120 acres with some increase in production over the previous year. Prince Edward Island has been the largest producer in the maritime provinces and had in production about 450 acres in 1963. It can be seen, therefore, that this is not a regional product but it is grown now and has been grown in six out of the ten provinces. In years past British Columbia has produced small amounts of tobacco. To date, there are over 4,600 farms with rights to produce tobacco in the province of Ontario, or less than 4 per cent of the province's commercial farms. Gross revenues from these farms will exceed $90 million. In other words, 9.5 per cent of Ontario farm cash income was derived from tobacco.

Flue cured acreage has been only about 1.5 per cent of all field crop acreage in Ontario, and the farm value of the tobacco

produced was 20 per cent of the value of all field crops. Farm values per acre produced were more than double that of any other major field crop. Tobacco has been produced in Ontario under strict acreage control methods in order to keep production within the needs of domestic and export requirements. Despite the reduced acreage for each of the last three years, growers have produced over 100 million pounds of tobacco each year. This has occurred as a result of favourable growing conditions, better production methods and better varieties less subject to blight, as well as irrigation and many other factors.

Despite the rosy picture of the past history of tobacco, growers today, on the eve of a new crop year, find themselves faced with a very uncertain future. At the present time some 15 million to 20 million pounds of the 1963 crop has yet to be sold through the auction exchanges. The growers themselves have agreed to cut their acreage by 55 per cent for 1964. The average daily price of around 50 cents per pound has dropped to an average of less than 32 cents. The government has refused to help the tobacco farmers as a result of their request for assisting in processing the unsold tobacco. A support price was put on tobacco, but it is only a moral support since it does not assist the producer by giving him more money for his tobacco. It appears that the support price was placed low enough that the government would not have to spend a penny in supporting this crop. The average price on the crop sold to date is less than 49 cents and unless the average drops to below the 47 cents support price, no money will be paid to the growers.

Now, let us look at the other side of the coin and see the revenue that is derived from the tobacco industry by the government. No other agricultural product is taxed like tobacco at the present time. From each cigarette smoked, the government receives nearly one cent in tax revenue. It is estimated that all forms of tax revenue derived from tobacco net the government around $400 million yearly. I have no hesitation, therefore, in supporting this resolution and further recommending that at least one per cent of the $400 million be set aside as a fund for research and to further export sales of tobacco. This money might also be used, when necessary, to subsidize the export of tobacco.

In 1962 when the Ontario flue cured tobacco growers were having difficulty marketing their crop, the Conservative government helped them to remove unsold tobacco from the market, to have it processed and stored. This surplus tobacco was paid for by government guaranteed bank loans of up to 80 per cent of the grade prices, and assistance was also given with the processing and storing. The growers themselves agreed to deduct one cent per pound from their 1961 crop income to assist in taking this surplus tobacco off the market. Recently the Ontario flue cured tobacco growers' marketing board have allocated $60,000 to promote the export of Ontario tobacco. About $25,000 of this money will be used to hire a tobacco export promoter and to pay his expenses while travelling abroad. I wish to commend the board at this time for initiating sales of tobacco to European and Asian countries, and opening up new markets for Canada not previously enjoyed.

However, the whole tobacco industry is now experiencing difficult times. It was only a few weeks ago that the Imperial Tobacco Company of Canada, the largest and oldest of the tobacco companies in Canada requested the consent of their shareholders to embark upon a non-tobacco business. An official of the company reported to the annual meeting that they have recently laid off 100 employees as a result of the drop in cigarette sales following the publication of the lung cancer report by the surgeon general of the United States. At the same time Imperial reported a 10 per cent drop in profits for 1963, Rothman's Limited, one of the newer cigarette companies, broke its selling record last year in Canada, sold cigarettes to the value of over $61 million and made a net profit of 70 cents a share which was a record for that company.

I know there are other speakers who wish to present their views on this important phase of our agricultural economy. In closing, may I say I hope the government will take this resolution into consideration and immediately introduce legislation to provide the necessary funds to assist this industry to maintain the place it once held, and should still hold, in the economy of Canada.

Mr. J. E. Brown (Brantford): I do not hesitate for a moment in rising to support the motion of the hon. member for Norfolk (Mr. Roxburgh) which is now before the house. The hon. member referred to the vital part being played by the tobacco industry in the economy of this nation, and it is indeed a vital part.

In speaking of this industry I want to refer particularly to the tobacco growers. In my constituency of Brantford a decidedly important part is played in its economy by the tobacco growers. In the township of Burford the total assessment is $6,982,043 for the year 1964, and of this amount a large percentage represents the assessment levied on the tobacco farms in the township. In the township of Oakland the revenue from

the assessment on tobacco farms is similarly high, and in the township of Brantford, surrounding the historic city of Brantford, the tobacco growers contribute a very high percentage to the municipal treasury.

I am told that the highest grade of tobacco grown in Canada is grown in my constituency. I hesitate to estimate what would happen to the economy of my constituency were these growers suddenly deprived of their source of revenue, either by questionable propaganda against tobacco or unfair trade practices. The loss of purchasing power and the loss in investment that might be expected by these growers could be so great as to dislocate the entire economic structure of my constituency.

I have heard it said that we do not need to waste any sympathy on the people engaged in this agricultural enterprise, that they have entered into the agricultural picture only in recent years, that they have made lots of money, and that they grow a product which only injures health. Of these last two allegations, one is false and the other is not yet proven. Tobacco growers have not made lots of money. I will not deny that money may have been made by speculators in the purchase and sale of farms, but not by the growers as such.

The growers have made a livelihood, but when one considers the enormous investments made by individuals, first in the purchase of farm lands, buildings and equipment, and then when one considers the high mortgage indebtedness, the interest on loans from banks and individuals, the hard work, long hours, of whole families, men, women and children, the profit made is surprisingly low. I have said these growers have worked hard, but I must add that their stake in my community is high.

I heartily approve of the government considering any proposal to grant more money to be used for research into the growing of tobacco, toward rendering it as harmless as possible to health, and generally toward assisting in any way this agricultural vocation, the vocation of tobacco growing, as a worthwhile enterprise and pursuit. I strongly support the hon. member's motion. I urge the house to vote for it and to assist this agricultural enterprise from unfair attack and false accusations due to a misunderstanding of recent press releases and statements made by responsible persons in the scientific and medical world.

There is no more highly respected group of individuals in my province than the tobacco growers. They do not want to come crawling to Ottawa asking for financial help. All they want is fair play, and it might be wise for the government at this time not to engage in a campaign against smoking so much as to assist in more careful research than has hitherto been available.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to join the speakers who have preceded me in offering congratulations to the hon. member for Norfolk (Mr. Roxburgh) for moving the motion now before us.

I believe that all the previous speakers come from Ontario, the province which has been recognized and is still recognized as a great producer of tobacco.

I commend, therefore, the hon. member for Norfolk for introducing this motion whose purpose is to request the federal government to make available a larger amount of money for the tobacco industry, in order to allow for research that will help tobacco growers across Canada.

Mr. Speaker, when one speaks of tobacco in this country, one refers especially to the province of Ontario, which is recognized as the largest producer. But I should like to remind the house that we have also, in the province of Quebec, a few regions which are quite well-known for their tobacco crops and where fine quality tobacco is grown. I refer in particular to my own region and that of Joliette-L'Assomption-Montcalm.

In my riding, we find a tobacco co-operative which, being 80 years old, is the oldest in the province of Quebec. Those last few years, unfortunately, we have discovered that tobacco growing is paying less and less and that a good number of farmers seem to be abandoning it more and more.

For instance, Imperial Tobacco, located in Shefford right in the middle of my riding, gives work to approximately 800 people and manufactures all kinds of tobacco products. And, as stated by the hon. member for Norfolk a few minutes ago, the tobacco industry is the most heavily taxed in Canada.

As a matter of fact, 7 per cent of the federal budget is derived from taxes on tobacco, whereas in the United States the federal budget gets only 2 per cent of its revenue from that source. Here, every day, the federal government takes in between $20,000 and $25,000 in excise tax on the various tobacco products manufactured.

All this to say that the hon. member for Norfolk was certainly justified when he stated, supported by figures, that the tobacco industry was the most heavily taxed in Canada.

Mr. Speaker, out of the $400 million paid in the treasury by way of taxes of all sorts on tobacco, only 1 per cent is applied to research, and I entirely support the view of the hon. member for Norfolk who suggested

that the federal government should give higher grants for research in order to help the tobacco industry.

Mr. Speaker, it is recognized that tobacco growers of certain areas of Ontario and Quebec have to solve different problems.

It is a fact that tobacco is grown in Ontario as in Quebec but, on the other hand, neither the soil nor the climate is always the same. Yet, it is possible to grow about the same kind of tobacco. That is why I think that if some areas received more money, it would certainly help solve the problem of the various tobacco growers. It would also help the marketing of all kinds of tobacco products.

Mr. Speaker, I think that it is possible to help the tobacco growers, and what has affected the industry the most recently—though it has not yet been proved, I am told—is the statement that smoking tobacco and cigarettes may be a cause of cancer. That is precisely why I believe that the research council which has been mentioned in this discussion should receive larger grants, in order to put a safe tobacco on the market. Nowadays, cigarette smokers and tobacco consumers are not yet convinced that cigarettes are innocuous in this respect. They still have some doubts on the matter and that affects the tobacco industry.

Now, Mr. Speaker, I feel it is urgent, in view of the well-known publicity and the suspicion prevailing among the public that smoking is the cause of a certain disease, that the government take action in this regard to prevent any more wrong from being done to our tobacco growers who are concerned because they are not sure whether they shall be able to grow tobacco in a few years from now and whether they should improve their methods of tobacco growing. Farmers who specialize in tobacco growing do not know in the least what to do at the present time.

As for me, I agree with the hon. member for Norfolk (Mr. Roxburgh) who was shrewd and wise enough to introduce such a motion. I hope that the federal government will carry out his suggestions in order to relieve the farmers and to dispel the present confusion in the field of tobacco growing.

[*Text*]

Mr. W. B. Nesbitt (Oxford): May I say at the outset that I agree with everything said by the previous speakers, including the hon. member for Norfolk (Mr. Roxburgh) who presented this motion. I do not wish to repeat what other hon. members have said, but I should like to add one or two additional thoughts. I believe that, despite the present criticism of tobacco products, cigarettes in particular, this industry can be expanded in Canada. Since the amount of land available in the appropriate climatic area of the country is limited, I think the suggestion made by the hon. member for Norfolk is an excellent one.

I believe his suggestion would be greatly assisted if the resolution could be referred to a committee of this house, perhaps the standing committee on agriculture, where scientists and agricultural experts could be called as witnesses and outline methods by which the production and processing of tobacco could be improved in this country. I hope consideration will be given to this suggestion.

In addition, I think sales of tobacco products throughout the world could be increased. The Ontario flue cured tobacco marketing board has done a great deal in this regard recently, with assistance from the province of Ontario. Countries behind the iron curtain and in the Middle East have been visited, and I understand there is a possibility of sales of tobacco to those countries. A year or so ago arrangements were made with the government of Japan—and I may say I had something to do with them—for the purchase of Canadian tobacco. Tobacco, in Japan, is a government monopoly. Japan sent representatives to this country and a token purchase of half a million pounds was made. We hope efforts will be continued by the Department of Trade and Commerce to encourage sales to Japan.

There is a good deal more I could say on this subject, but maybe others wish to speak and I shall confine my remarks to the following aspect. There has been great talk about the danger of smoking cigarettes—I have in mind the report of the surgeon general of the United States, and other medical reports, from which it would appear that allegations concerning the dangers of the heavy smoking of cigarettes seem to be correct. As far as lung cancer is concerned, it does seem to produce a hazard to health. As has been pointed out by the previous speaker, the tobacco industry is far too valuable to be allowed to be wiped out by this threat to its existence. In view of the fact that billions of dollars have gone into the federal treasury over the years as a result of taxes on tobacco sales it would seem to me that money should be provided by the government in large sums annually so as to find the alleged cancer-producing substance in tobacco, and discover ways of removing it so that people who like to smoke may continue to do so without this health hazard which does appear to exist.

It is all very well for the government to allocate $400,000 so that the Minister of National Health and Welfare can put out propaganda against cigarette smoking. It would appear much more sensible to me if

that money had been given to research institutions to try to find out ways of removing this cancer-producing substance from cigarettes, in view of the enormous value of this industry to Canada. It is imperative the government should do this. It is difficult for us to know how much should be spent each year on research into this matter and I think the best thing to do would be not only to have this resolution referred to the standing committee on agriculture, but also to the special committee of this house on food and drugs, where witnesses could tell us how research money could best be spent so as to achieve the object I have just mentioned. This work might best be done at the universities or by scientific groups. Perhaps it could best be carried out by commercial groups. In any case, I think it should be done. For this reason I believe the resolution should be referred to both the committees I have named, so that we can find out the best means of undertaking this very necessary research. I fully support the resolution.

Hon. J. Watson MacNaught (Solicitor General): I think this notice of motion is a very important one and one which should receive further study by a committee where witnesses could be called, and so on. If I might have the unanimous consent of the house I will propose an amendment which I believe would have the effect of sending the subject matter of this notice of motion to a standing committee. Perhaps, by unanimous consent, I can move, seconded by my colleague the Minister of Mines and Technical Surveys (Mr. Benidickson):

That the motion be amended by deleting therefrom all the words after the word "nation", and substituting therefor the following:

"The standing committee on agriculture and colonization be empowered to review the research and experimental facilities now provided to the production and processing of tobacco in this country and to recommend such measures as may be expedient to promote and assist in the production of Canadian tobacco."

Mr. Nesbitt: I am wondering whether the acting leader of the house would not consider making a slight amendment to his amendment so as to refer the subject matter also to the special committee on food and drugs. I agree it should go to the committee on agriculture.

Mr. MacNaught: I believe that at a later date we might have another motion which would bring about that effect, if such course were thought at that time to be desirable.

The Acting Speaker (Mr. Batten): Order. A motion to refer a question to a committee is not normally considered as an amendment. I would therefore have to consider the hon. member's motion as a substantive motion, and under standing order 44, page 29, unanimous consent would be required. I inquire of the house now whether they give unanimous consent to the hon. member introducing his motion. Is unanimous consent given?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): Mr. MacNaught, seconded by Mr. Benidickson, moves:

That the motion be amended by deleting therefrom all the words after the word "nation", and substituting therefor the following:

"the standing committee on agriculture and colonization be empowered to review the research and experimental facilities now provided to the production and processing of tobacco in this country and to recommend such measures as may be expedient to promote and assist in the production of Canadian tobacco".

Mr. A. D. Hales (Wellington South): Mr. Speaker, I will be just a few minutes in making these remarks. I would like to congratulate the hon. member for Norfolk (Mr. Roxburgh) for introducing this notice of motion and give him credit for having the great amount of courage that it must have taken to introduce into this house a resolution such as this asking his government to give grants to foster and promote the tobacco industry, when the Minister of National Health and Welfare (Miss LaMarsh) of that government has taken $600,000 of the taxpayers' money in order to try and stop people from smoking. So we have quite a paradox here this afternoon, and I would not want this occasion to pass without bringing to the attention of the hon. member that this paradox exists within his party. I therefore commend him for having the courage to bring this motion before the house.

I speak as one coming from an area that has one of the finest tobacco processing plants on the whole North American continent. I refer to the Imperial Tobacco plant situated in Guelph. The hon. member for Shefford has another plant of Imperial Tobacco in his area. If it were not for the producers of tobacco, this great industry in my riding would not be able to flourish and exist. Therefore, Mr. Speaker, I commend the hon. member for Norfolk for having the courage to overcome this paradox that has existed in his party, and I hope that when this matter comes before the committee we will be able to have further discussion on it.

Mr. E. F. Whelan (Essex South): Mr. Speaker, I enter the debate at this late stage only because of the importance of this industry to my part of Ontario. In my area there are four factories that process tobacco. Our county is one of the oldest tobacco growing areas in Canada and this industry is still an

important part of our economy. The hon. member for Wellington South (Mr. Hales) has referred to one paradox. I should like to refer to another. I well remember that in 1958 when the Leader of the Opposition (Mr. Diefenbaker) was in Brantford, I think, he said they would do something about these unrealistic taxes on tobacco—and they certainly did; the minister of finance raised the taxes on tobacco shortly after that in order to provide more revenue for the government. I have the utmost faith in the Minister of Agriculture (Mr. Hays) and his proposal that we do more with regard to research. I feel sure, knowing him as well as I do, that we can count on this being done.

Amendment agreed to.

Motion as amended agreed to.

Some hon. Members: Six o'clock.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 7, 1964

The house met at 2.30 p.m.

PROCEDURE

CONCURRENCE IN THIRD REPORT OF SPECIAL COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre): I have the honour once again, Mr. Speaker, on behalf of Your Honour's committee on procedure and organization to move concurrence in a report presented by this committee. I am grateful once more to the hon. member for Peace River (Mr. Baldwin) for offering to second my motion. There are three parts to the brief remarks that I should like to make on this occasion.

First of all, sir, I should like to say a few words about the structure of Your Honour's committee and the work that committee is doing. As hon. members will recall from the first report of the committee which Your Honour tabled on March 25, the main committee has been divided into three subcommittees. The hon. member for Edmonton West (Mr. Lambert) is chairman of one of those subcommittees; the hon. member for Northumberland (Miss Jewett) is chairman of another, and I have the honour of chairing the subcommittee on procedure. All three of these committees, as well as the main committee, have been working very hard on the matters assigned to them and it is my understanding that very shortly each of the other subcommittees will have reports to be presented to the house. On those occasions the other subcommittee chairmen will be moving concurrence in the reports. I should like to express my own personal pleasure at working on both the subcommittee and the main committee. We are tackling a big job with earnestness and seriousness, and I dare to hope that as the weeks go by we will be able to make considerable progress, as I believe we have done already.

The second thing I should like to say, Mr. Speaker, is to draw particular attention to the provisional standing order that we are asking the house to adopt by the motion to concur in the third report of the committee which was tabled two days ago. This new provisional standing order, which would carry the number 15(2-a), will make provision regarding the making of statements on motions. Many members may not even realize that thus far we have no standing orders and no provision whatever for the making of statements on motions. This is a practice that has grown up, and tradition seems to rule the day. Therefore, by not having any standing orders governing this matter, Your Honour has to be guided by precedents, by incidents in the past, and by judging the situation as it arises from day to day.

It is the feeling of the subcommittee, shared by the entire committee—in fact our decision in this matter is unanimous—that we should have a standing order governing the making of statements on motions so that Your Honour will have something to go by. We feel that provision should be made for statements to be made on motions by ministers of the crown, but we feel that something should be said to impose certain limitations. Therefore in our proposed standing order we say such statements should deal only with announcements or statements of policy and that they should present only such facts as it is deemed necessary to make known to the house; and we add the proviso that the making of statements on motions should not be designed in such a way as to provoke debate at that stage.

In the standing order we add the provision that one spokesman for each opposition party should be permitted to comment briefly, subject to the same limitations. I think all members will agree that in practice we have expanded on this procedure, which was not provided for at all, and on too many occasions we have had a five man debate in which nobody else can take part, which leaves us all with the feeling that we have taken too much time and that we have not actually dealt with any item of the business before the house.

I could, but I am not going to, cite examples of faults on both sides of the house. I have gone out of my way to speak to some of the front benchers on both sides of the house, and I find there is general agreement that we could improve this item of our business to the advantage of the house as a whole. I hope the house will accept the motion for the concurrence in this report; that it will accept this proposed standing order; that with the cooperation of the members we can get away from having irregular debates on statements made on motions and that we can have instead, when they are necessary, statements of fact from the government side and brief comment from spokesmen on the opposition side of the house.

The third thing I would like to say is that I hope hon. members will look at this proposal in the context of what this committee has endeavoured to present to the house thus far. As time goes on we shall have other proposals to bring in, but thus far we have been dealing with what I think is a justifiable criticism, that the house has been taking too long with its preliminaries, that it has been taking too long to get down to the business of the day.

We agree that questions are an important part of the house business. So are statements on motions and motions for the production of papers, but to the extent that we have taken an hour and even two hours on these preliminaries we have created the impression of being too slow in getting down to the business of the house. We feel that by a combination of our proposals thus far, what we have done about questions and what we now propose to do about motions, we can reach the point where we will get down to the day's business sooner, we can offset the criticism about spending too long on preliminaries, we can improve the image of the house and we can, in fact, get down to our work that much quicker.

We propose that this provisional standing order should be in effect from the date on which this motion is concurred in until the end of the session, unless otherwise ordered by the house itself, and our committee hopes that the house will adopt this rule unanimously.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, briefly I want to say that I approve as far as I can personally the recommendation contained in this report and the trial for a limited period of what is proposed, but may I briefly recite the philosophy which we have with regard to these particular changes, because there has been considerable comment in the house and outside in the press and elsewhere.

I think it is safe to say that those who suggest that hon. members come to this house purely to pass government measures or pass government estimates are wrong. We are here to give lengthy and critical examination to all matters which are on the order paper for debate. Only in this way does the public get the opportunity to examine in detail the subject matters which the house debates from time to time. It is only through the cut and thrust and the give and take of debate that this happens. Anyone who thinks there is not going to be a continuous series of wars, battles and skirmishes in this house is very wide of the mark.

On the other hand, those who suggest that there should be a continuous donnybrook without rules, rhyme or reason are also wrong. I think we have to stop occasionally to drag out the bodies and put fresh sawdust in the ring, take time to find out what the new issues will be and when and where we wish to join them. It is in this sense, trying to reconcile those two opposing views, that the committee and the subcommittee have approached this problem of dealing with our rules.

There must be continuous review of and changes in the rules. With regard to this suggested amendment, what we are doing is legalizing a custom which has existed for some time. Frequently we have found that putting a custom into written words is a dangerous practice. It is often better to allow those customs to be moulded and refined by what happens. But I think, unfortunately, over the last period of time we have found that statements and comments on motions have been taking up a considerable part of the time of this house, so we are recommending this for a period of trial in the hope that there may be some measure of improvement.

I think it is a question of practicing self restraint. As a backbencher this direction has often been given to me. I think it would be helpful to bring it to the notice of those who sit on the front benches opposite particularly, from where these motions originate. I propose to them that they bear in mind the motto hung up in railway stations during the war: "Is your journey really necessary?" They might ask themselves, before making statements: "Are these statements really necessary?" After they are made, it frequently happens that no reply may be necessary at all from the opposition side. Frequently one reply only might be sufficient; and those who have in the past directed to us the admonition that we should save the time of the house might give this some consideration.

Finally, we are departing to some extent from the English practice. There is no reason why we should slavishly follow English practice but in England, in the mother of parliaments, these statements on motions are followed not only by comments, but questions are allowed. In this way the issue is sharpened and clarified so that it becomes quite apparent what is involved in the statement. Because of the situation in this house, the number of parties and the type of statements which have been made, it is not possible to follow that practice, but I hope that after giving careful consideration to what happens when this rule comes into effect the word "comment" which appears in the second last line in the phrase "parties in opposition to the government may

comment briefly" might be extended to include the right of questioning. This is something that will have to be considered in due course. This procedure might then serve a very useful purpose in preparing these particular subject matters for consideration and future debate.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, very briefly I wish to say on behalf of this party that we concur in the remarks that have been made by the hon. member for Winnipeg North Centre and the hon. member for Peace River. I should like to commend concurrence in this report to all hon. members of the house, first of all because, as is clearly stated, it is going to be adopted on a trial basis, and second because I think it will provide some written formality, if you like, and will strengthen Your Honour's position when on occasion statements on motions and subsequent debate get out of hand. We agree that a tradition has grown up in regard to the provision for motions contained in section 15 of standing orders, and this procedure has been used to make statements of policy. On occasion we believe there has been far too much preamble to the actual statement of fact or policy being presented, and on other occasions there has been too much debate from all parties in opposition.

We believe that in the majority of cases the acceptance of this motion will not require any action on the part of the Speaker, but we think it is necessary to have this provision in standing orders so that Your Honour's position will be strengthened in dealing with a situation that gets out of hand when statements are made on motions.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, convincing arguments have been put forward by hon. members who spoke before me. However, as a member of the subcommittee on procedure, I should like to take this opportunity to give well deserved praise to the hon. member for Winnipeg North Centre (Mr. Knowles) who did some exceptionally fine work as chairman of the subcommittee.

The subcommittee has already submitted two reports to the house and others will be forthcoming. I can assure hon. members that the hon. member for Winnipeg North Centre did most of the work. I am pleased to pay him tribute today, because it will be thanks to him if the proceedings of the house are accelerated in future.

[*Text*]

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I want to make it very clear that I am speaking for myself at the present time, but I think we have hidden a certain process and procedure under the desk, and it is time it was brought on top of the desk. I am one of those members of parliament who believe this parliamentary system functions best with a two party system. We have talked a great deal about wasting time in this House of Commons when statements are made from the front benches and two, three, four, five or six comments are made by various parties. I would like to pose one question in this regard. The future holds a lot for us, because look at what happened to France. We may in this House of Commons, in my time—

Some hon. Members: Order.

Mr. Woolliams: —or sometime, see as many as ten different parties making ten different statements.

Mr. Speaker: Order.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we on the government side heartily support this recommendation and hope it will have the good results which are anticipated for it.

Mr. Woolliams: Mr. Speaker, I did not think I had yet been ruled out of order, and surely I have the right to make a personal comment as far as this procedure is concerned.

Mr. Speaker: The hon. member is quite correct; no one has been ruled out of order yet, and I sincerely hope no one will be. We are discussing this motion, and I suggest to the hon. member that he stick to the motion under discussion.

Mr. Woolliams: I think I am sticking right to the motion, Mr. Speaker. We are dealing with the subject of statements made by ministers. It is necessary for ministers to make statements from time to time in the house. What I am suggesting, and surely this is sticking to the subject matter, is that where you have six different parties each making comments, the time will surely come in this country when any one of us can form a group or five or six members and we will be having 20 or 30 different parties in this house.

Some hon. Members: Oh, oh.

Mr. Woolliams: I know the rules, and hon. members cannot shout me down. They do not want the Canadian people to know the truth. The main cause of delay in this house since I have been here is the splinter parties.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, since you have permitted the last speaker to wander far afield from the motion may I just say this. The hon. member

for Bow River is objecting to the number of parties in this house and says he is in favour of having two parties. I would merely point out that there were two million Canadian voters voted at the last election who did not agree with him. As long as we have a democracy in this country I think the hon. member for Bow River will have to abide by the decision of the electorate.

Motion agreed to.

GRAIN

WHEAT—CHANGE IN ADMINISTRATION OF DELIVERY QUOTAS

Hon. C. M. Drury (Acting Minister of Trade and Commerce): Mr. Speaker, in the absence of the Minister of Trade and Commerce I should like to try to make a statement subject to the new rule. I wish to inform the house of a change in the administration of the delivery quotas of grain in western Canada which has been announced today by the Canadian wheat board. The wheat board's announcement is as follows.

The Canadian wheat board wishes to announce a basic change in its administration of delivery quotas. Effective on Monday May 11 all delivery points in western Canada currently on an 8 bushel per specified acreage quota will be given a supplementary 5 bushel per seeded acre quota for wheat deliveries, other than Durum. As delivery points in western Canada are raised to an 8 bushel per specified acre level they will automatically be placed on a 5 bushel per seeded acre quota for wheat. The supplementary quota for wheat, other than Durum, will be raised above this level if and when the export and domestic movement of wheat warrants an increase.

With respect to Durum wheat, oats and barley, no further deliveries of these grains will be allowed beyond the 8 bushel per specified acre level unless market demand for these grains warrants quota increases. In this event it will be the board's intention to grant supplementary quotas for the grain required.

The basic reason for this change in policy is that the board must have the type of grain in the marketing pipe line that is required to meet market requirements. Extremely heavy commitments for wheat other than Durum have been entered into for delivery prior to the end of the crop year. To facilitate the movement of this wheat and to avoid congesting marketing facilities with grain that is not immediately required for the market, the board deems this change in quota policy to be essential.

With respect to oats, barley and Durum wheat, the board wishes to call attention to the fact that producers can deliver these grains up to the 8 bushel per specified acre level. This level is comparable to the quota level normally existing in the past few years at the end of the crop year.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I think the statement made today by the Acting Minister of Trade and Commerce regarding the new policy on quotas indicates the wisdom of certain statements made last year to the effect that there was a market for grains, and that if all the grain was sold there would be no question of having these quotas at all.

This is not exactly the free quota which we had two years ago, but it is a big step toward it. I think we all feel a little sad that the producers of oats, barley and Durum wheat are not in the position where they can deliver above the 8 bushel quota. It is no great satisfaction to them to be told that this quota is similar to what it used to be. Farmers now know that there is a market for their products in the world and they want to see that everything is done to make sure their products get to the markets.

I would hope that in the future no more statements would be made that might lead farmers to reduce production on the ground of the lack of markets, and that no more statements will be made saying that markets have had to be turned down, as happened this year, because there were not shipping facilities out of the country.

In summary, we are very glad to see the quotas moving up to a fairly nice figure, and we hope that something will happen to bring a little better news to the oats, barley and Durum wheat producers.

[*Later:*]

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a question for the Acting Minister of Trade and Commerce arising out of his statement on wheat delivery quotas. He stated that the supplementary delivery quotas would apply to points already on an 8 bushel delivery quota. Will the heavy deliveries arising from these extra quotas, at points now on 8 bushel quotas, adversely affect the chances of points not yet on the 8 bushel quota receiving such a quota soon?

Hon. C. M. Drury (Acting Minister of Trade and Commerce): Mr. Speaker, I shall be glad to direct this question to the wheat board.

EXTERNAL AFFAIRS

CUBA—U.S. REQUEST FOR ASSISTANCE IN ECONOMIC BLOCKADE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, President Johnson

is reported as having communicated with the various allies of the United States calling upon them to assist in the economic blockade of Cuba. I would ask the Prime Minister whether any such representations were made to Canada, and whether he would give the assurance to the house and the country that the policy introduced when we were in office, namely that trade in non-strategic materials with communist nations would not be interfered with, will be continued by the Canadian government.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, no such representations have been received by the government. Our policy in this matter is well known to the United States government. As recently as last week we had occasion to discuss it with them again. The policy that has already been outlined regarding trade in non-strategic materials with communist countries will not be affected by the kind of consideration which apparently is in the particular report to which my right hon. friend refers.

Mr. Diefenbaker: Would the Prime Minister say whether any representations, other than the discussions that took place between the ministers of the two governments, have been made by the United States government to Canada in this connection?

Mr. Pearson: No, Mr. Speaker. No representations were made at the meeting last week. The matter was discussed, but no representations were made or initiated by the United States delegation.

CYPRUS—INQUIRIES RESPECTING PEACE KEEPING FORCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs and ask him if he can give the house any information regarding the reports that Canadian troops were sent back into Turkish-Cypriot villages which they had abandoned, because of the refusal of the Turkish Cypriots to remove a new gun emplacement which they had built within 100 yards of the Canadian camp; and has he received any explanation from the secretary general of the United Nations as to why Canadian troops were not supported in their demand that the Turkish Cypriots remove this gun emplacement?

Hon. Paul Martin (Secretary of State for External Affairs): I have no reason to doubt the story, but our request for information has not yet been answered. These incidents which are reported from time to time, have not always proven to be in accordance with the facts. Therefore I am not making any comment on this question.

Mr. Douglas: Would the minister be prepared to look into the matter and report to the house?

Mr. Martin (Essex East): Yes, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Is the minister prepared to say whether it is correct that Major Patrick Tremblay, commander of the Royal 22nd regiment's "C" company, has asked permission to return fire with heavy machine guns if there was any further firing into his company's camp?

Mr. Martin (Essex East): This is the same matter to which my hon. friend from Burnaby-Coquitlam (Mr. Douglas) directed my attention. Just as quickly as we have a full report I shall give it to the house.

Mr. Diefenbaker: Has the minister any report to make on this, or do we have to wait for press reports as usual?

Mr. Martin (Essex East): Mr. Speaker, I would ask my right hon. friend not to be irresponsible and to bear in mind what I did say.

THE CANADIAN ECONOMY

STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in view of the fact that the cost of living index has risen 2.7 percentage points in the past 12 months I should like to ask the Prime Minister if the government is planning any steps to cope with this serious problem.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is a serious question and one very difficult to deal with on the orders of the day, except to say that the matter is under continuous consideration. It is true that the cost of living index has risen by 2.7 percentage points. It is also true that that record compares very favourably with the rise in the cost of living in comparable countries. But it is a serious matter, and it is being carefully watched.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. The provincial treasurer of the province of Quebec, Mr. Kierans, has stated that the federal government appears to be contemplating instituting a system of tight money. Is that one of the steps under consideration at the present time?

Inquiries of the Ministry

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I saw no such statement by the provincial treasurer of the province of Quebec, but in any event it is not the case.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, my question is directed to the Minister of Finance in connection with the statement made by the minister of revenue of the province of Quebec.

I would like to ask the Minister of Finance if he intends to give any consideration to Mr. Kierans' suggestion to expand credit through the Bank of Canada for public bodies in Canada?

[*Text*]

Mr. Gordon: Mr. Speaker, I did not see any such statement in the account I read of the speech by the provincial treasurer of Quebec.

[*Translation*]

Mr. Grégoire: Mr. Speaker, a supplementary question. I would like to ask the Minister of Finance if he has had an opportunity of reading Mr. Kierans' speech?

[*Text*]

Mr. Gordon: No, Mr. Speaker.

Mr. Woolliams: A supplementary question, Mr. Speaker. Has the minister read this morning's *Gazette* with reference to this matter?

Mr. Gordon: I read the account in the *Gazette* this morning with considerable interest, and I can assure my hon. friend that the government intends to abide by its responsibilities as set out in the constitution.

TRADE

GATT—PREPARATION BY CANADA OF PACKAGE DEAL

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs or the Prime Minister. Canada is reported to be preparing a package deal for the Geneva conference in respect of the negotiations for tariff reductions. I am wondering when members of the house will be informed of the items that are contained in this package.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I take it my hon. friend is referring to the GATT discussions at Geneva. The Minister of Trade and Commerce will be in the house on Monday, I believe, and he will be making an interim report on the first week of the conference.

[Mr. Woolliams.]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question in that connection, Mr. Speaker. According to a press report today Canada's views on the 50 per cent cut across the board will not be made public until the ministerial conference of GATT in September. Only then, says the report, will Canadian manufacturers learn how they have fared in domestic and export markets. I would ask the Prime Minister whether that statement bears a true relationship to the attitude being taken by the government in this very important matter.

Mr. Pearson: No, Mr. Speaker. That statement would be an oversimplification of the position. The Minister of Trade and Commerce has been in touch with the Canadian manufacturers who will be concerned with what is going on in Geneva. He has already made it clear, as I stated in the house yesterday, that the application of the 50 per cent linear reduction is not acceptable to Canada, and we expect to make our compensation in other ways. I hope my right hon. friend will await the return of the minister, when he will make a fuller statement on the matter.

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—STEPS TO SETTLE LONGSHOREMEN'S STRIKE

On the orders of the day:

Mr. Joseph P. O'Keefe (St. John's East): Mr. Speaker, my question is to the Minister of Labour. Can the minister tell the house what steps his department is taking in an attempt to arrange a satisfactory settlement of the longshoremen's strike which is now paralysing the port of St. John's?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the industrial relations officer of the department located in St. John's is in daily contact with the parties and has made known to them his availability to assist. Further efforts to mediate will be undertaken by the department at an opportune time.

STEPS TO ASSIST UNEMPLOYED URANIUM MINERS

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Prime Minister. Has he received from the citizens of Bancroft, Ontario, a letter stating that, on account of the closing down of the uranium mine, at least 300 people will be laid off?

Can he also tell us what the government intends to do for the employees in Bancroft as well as those in Elliot Lake, in his own riding of Algoma East?

[*Text*]

Mr. Speaker: Order, please. This is an important and beautiful question for the order paper.

SHIPPING

GREAT LAKES—INCREASED HANDLING CHARGES BECAUSE OF LOW WATER LEVELS

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Acting Minister of Trade and Commerce. In view of the low level of water on the great lakes resulting in boats being unable to load to capacity, will this mean an increase in handling charges which in turn will mean a lower return to grain producers?

Mr. Speaker: Order. Would the hon. member put this question on the order paper? I have doubts that the question is sufficiently restricted, and in order to resolve the matter would he put it on the order paper?

GREAT LAKES—CABINET CONSIDERATION OF LOW WATER LEVELS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Prime Minister. Has the government now set up a committee of cabinet to consider problems relating to low water levels on the great lakes?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this has been considered by the cabinet. There is not any special committee, though there is a committee which does cover these matters. We have been considering this in the full cabinet.

Mr. Aiken: As a supplementary question, to whom should questions relating to this general problem be addressed?

Mr. Pearson: I would think, Mr. Speaker, the Minister of Northern Affairs and National Resources, as the minister responsible.

[*Later:*]

Mr. P. V. Noble (Grey North): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. Has the minister given any direction toward having dredging done in any of the prevailing emergencies?

Mr. Speaker: Order, please. To say the least the extent of the question is very wide.

Mr. Noble: Mr. Speaker, this is an urgent matter.

Mr. Speaker: I do not wish to stop the hon. member from asking a really urgent question. Would he please state its urgency?

Mr. Noble: Mr. Speaker, yes or no would be the answer.

Mr. Speaker: Order paper, please.

FISHERIES

NOVA SCOTIA—REPORTED LOSS OF LOBSTER TRAPS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Minister of Fisheries of which I have given him notice. Has the Minister of Fisheries been made aware of the substantial losses of lobster traps through ice conditions in Northumberland strait, and what action does his department intend to take in this regard?

Mr. Speaker: Would the hon. member put this question on the order paper for a detailed answer.

CANADIAN NATIONAL RAILWAYS

REPORTED STATEMENTS BY C.P.R. PRESIDENT RESPECTING DEBT AID

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Transport of which I have sent him notice. In view of President N. R. Crump's statement at the C.P.R. annual meeting yesterday opposing debt aid to the C.N.R., will the minister say when we will be given an opportunity to examine these serious charges against the government, either in the railway committee or when the MacPherson report legislation is brought down?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I do not know whether I am responsible for the statements of Mr. Crump, but I hope the legislation will soon come before the house and that we will soon have a chance to deal with it.

Mr. Bell: Can we have some idea when? Will it be in two or three weeks? These are serious charges against the government, and I should think the minister responsible would like to take the opportunity to refute them; but perhaps they are true.

Mr. Pickersgill: I suggest that the hon. member consult the hon. member for Winnipeg South Centre about when it might come up in the house.

Mr. Diefenbaker: The government has given up completely.

Inquiries of the Ministry

NATIONAL DEFENCE

ALLEGED DISCRIMINATION AGAINST FRENCH CANADIAN ARMY OFFICERS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct an important question to the Associate Minister of National Defence?

Is it the minister's intention to prescribe an inquiry, following the statement made by Mr. Arsène Lauzière, professor at the military college in Kingston to the effect that there is at the present time a certain discrimination against the French Canadians, as far as their promotion within the Canadian army is concerned?

[*Text*]

Mr. Speaker: Order. This is certainly a question for the order paper. I do not believe the minister can be expected to answer in a fully factual manner at this time without notice.

Mr. Pigeon: I want to discuss it further at ten o'clock tonight.

INQUIRY AS TO RECOVERY OF STOLEN ARMS AND AMMUNITION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, may I direct a question to the Minister of National Defence and ask him whether the arms that were recovered recently from the A.L.Q. were in fact the arms stolen from the Fusiliers armoury in Montreal in January.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I will take the question as notice.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Minister of Justice. Could he tell the house whether the police have recovered all weapons and equipment stolen in armouries?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, as far as we could check, we believe that nearly all, if not all, weapons stolen at the Mont Royal Fusiliers' arsenal and at the Shawinigan arsenal were recovered at the time of recent arrests, more particularly the last one.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question.

Since the Minister of Justice stated that the arms have been partly recovered, could he tell us whether all those arms will be recovered, according to the information he might have obtained up to now?

Mr. Favreau: Mr. Speaker, to be more accurate, I wanted to avoid asserting something which might be subject to correction. I said that, as far as we know, we think most of the arms, if not all, have been recovered.

According to our information, we do not believe that there remains to be recovered any arms that had been stolen at the two armouries.

[*Text*]

NORTHERN AFFAIRS

REDUCTION IN NORTHERN ALLOWANCES AND ISOLATION PAY

On the orders of the day:

Mr. Robert Simpson (Churchill): I should like to direct a question to the Secretary of State. In view of the drastic reductions which have been announced in respect of northern allowances and isolation pay for civil servants, will the Secretary of State consider undertaking a thorough review and reconsideration of this matter, which is causing so much concern to federal civil servants in northern areas as a result of the rising cost of living and the reduction in take-home pay?

Mr. Speaker: Will the hon. member put this question on the order paper, important though it is?

Mr. Simpson: I should like to bring up this matter at the adjournment hour.

TOBACCO

POSSIBLE APPOINTMENT OF COMPTROLLER OF ADVERTISING

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): In the absence of the Minister of National Health and Welfare I should like to direct a question to her parliamentary secretary. Has there been any indication from the tobacco companies as to the appointment of a comptroller of advertising, similar to that proposed in the United States?

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): On behalf of the minister, Mr. Speaker, I should like to thank the hon. member for giving ample notice of this question. The department has received no indication from the Canadian tobacco industry that a course of action is planned similar to that proposed in the United States.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): In pursuance of my policy of promoting good relations between the government of Canada and the government of British Columbia, Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Has the minister any comment to make on Premier Bennett's statement in reply to the minister's statement that British Columbia had not asked for any aid in connection with the recent disaster?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think a question was asked on this matter yesterday, and I thought I had replied to it in full. I do want to inform the house that this morning I was talking to Hon. Wesley Black, minister of welfare for the province of British Columbia, and I asked him if he could secure permission for me to read to the house the wire he had originally sent and the wire the premier of British Columbia sent. I have received consent to read those wires, and if I may I should like to first read the wire received here on April 3 from Mr. Black, addressed to myself. It reads as follows:

> For your information. Following wire being sent to Right Honourable L. B. Pearson Prime Minister today quote emergency relief re west coast flooding being satisfactorily handled by local and provincial authorities. Province has instructed E. C. Earle of Canadian independent adjusters conference acting on behalf of seventeen adjusting companies to make detailed official appraisal of damage. Detailed report will be forwarded when complete. Offer of federal assistance appreciated and preliminary reports indicate that it will be required.

There has also been received by the Prime Minister a wire from the premier of British Columbia, sent from Victoria on May 4. I quote:

> Re Alberni's tidal wave destruction additional to emergency aid program supported by public and provincial government imminent receipt of expert survey of damage suggests desirability of disaster policy jointly and equally to be underwritten by federal and provincial governments and made available for capital restoration of affected area. Suggest desirability early joint press release announcing this policy. Suggest also early appointment joint committee of permanent officials to implement statement of policy.

I asked Mr. Black this morning whether he had received the report of the adjusters. I think it is in his hands and he quoted a figure, but I said we would not report to the house until it arrived in writing. I think hon. members will appreciate my reason for not wishing to do that. I am particularly pleased that the sum he indicated is much less than was at first anticipated by way of loss.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question. May I ask the minister if the federal government has replied affirmatively to the suggestion by the premier of British Columbia that there be a joint disaster program underwritten equally by the two governments?

Mr. Laing: Well, Mr. Speaker, obviously we could not reply until we had confirmed the extent of the damage and studied the basis upon which the application is being made by the province.

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Charles J. M. Willoughby (Kamloops): Can the Prime Minister advise the house when we can expect the tabling of the report of the royal commission on health services?

Right Hon. L. B. Pearson (Prime Minister): I received a communication this morning from the chairman of the commission in which he regretted that he did not now believe he would be able to meet the deadline mentioned in the earlier communication, which I think was the middle of May. He says this is due entirely to delay in the translation. They expect to have the French translation completed shortly and get the report before us, but it will be a couple of weeks beyond the date originally set and that, I believe, makes it around the end of May.

LEUKEMIA—REQUEST FOR STATEMENT ON REPORTED CURE

On the orders of the day:

Hon. J. W. Monteith (Perth): I should like to direct a question to the parliamentary secretary of the Minister of National Health and Welfare. Due to the possibility of false hopes having been raised by those suffering from leukemia, will the parliamentary secretary make a statement giving the department's views concerning the validity or otherwise of any possible cure for this dread disease which appears to have been claimed by Mr. Naessens, now visiting Canada?

Mr. Speaker: Unless the parliamentary secretary has a prepared statement because of the general interest in this matter, I suggest that the question be placed on the order paper.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

CANCELLATION OF CLUB CHARTERS HELD BY ONTARIO GAMBLERS

On the orders of the day:

Mr. Reid Scott (Danforth): Is the Secretary of State in a position to reply to my question of yesterday referring to social club charters being used for gambling purposes in Ontario, and whether or not he received requests for their cancellation?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, requests were received in May, 1963, October and November 1963 to cancel the charters of these two corporations. These requests were from the chief of police of metropolitan Toronto and the office of the deputy provincial secretary. In each instance it was explained that under the Companies Act the Secretary of State could not cancel charters by simple fiat.

Although officers of the Ontario government were invited to submit sufficient evidence to warrant the issue of a writ of *scire facias,* no further information has since been received by the department. I should further advise the hon. member that the government is at this time reviewing certain provisions of the Companies Act in this respect and a further announcement will be made on this in due course.

Mr. Scott: May I ask a supplementary question. Will the minister indicate the nature of the evidence the department requires in order to act in a matter of this kind? As the minister knows, the present owners of the charters are convicted gamblers, although the charters themselves have not actually been used at this point. I wonder if the minister could tell us what kind of evidence the department would like to have.

Mr. Speaker: Order. I do not believe that is a proper question. The hon. member is indirectly asking for a legal opinion at this time.

BUSINESS OF THE HOUSE

INQUIRY AS TO ESTABLISHMENT OF BROADCASTING COMMITTEE

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, may I direct a question to the Secretary of State?

Some time ago the minister promised to make a statement about the broadcasting committee. Is the minister in a position to make it today?

[Mr. Speaker.]

Hon. Maurice Lamontagne (Secretary of State): No, Mr. Speaker. However, I hope to be in a position to make it next week.

[*Text*]

FOREST FIRES

NOVA SCOTIA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I would like to direct a question to the Prime Minister. In view of the serious forest fires that we are experiencing at the present time in Nova Scotia and the resultant destruction of valuable property in that province, would the Prime Minister indicate whether any request has been received from the government of Nova Scotia for assistance? If so, would he indicate the units of the armed forces or other government units that may be made available to assist in fighting these fires?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, no request for assistance has been received by me nor, so far as I know, by any member of the government, but I shall look into that at once. I know how serious this is, and anything the federal government can do through the Department of National Defence, it will do.

THE MINISTRY

NATIONAL REVENUE—APPOINTMENT OF MINISTER

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, may I direct a question to the Prime Minister. In view of the importance of the office, when might we expect an announcement regarding the filling of the post of minister of national revenue?

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, the post is being filled by a very competent minister indeed. If there is to be any change in that position it will be announced in the house when it is made.

Mr. Scott: In order to get a more definitive period, could we expect that announcement before June 22?

Mr. Pearson: Mr. Speaker, I do not know what my hon. friend is referring to.

FINANCE

PROVISION AGAINST FOREIGN CONTROL OF BANKS

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, following a question asked yesterday by the hon. member for Pontiac-Témiscamingue, I would like to ask the Minister of

Finance whether, in the amendments to the Bank Act which will be introduced this fall, he proposes to make it impossible for a bank such as the proposed new western bank to fall into foreign control?

Hon. Walter L. Gordon (Minister of Finance): I would not like to prejudge what may be in the legislation next fall, Mr. Speaker, but I think I can reassure my hon. friend on that point.

Mr. MacEwan: As a supplementary question, has the minister received any suggestions to this effect from the former governor of the Bank of Canada?

Mr. Gordon: I do not think I have anything useful that I can add to my previous answer.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO IMPLEMENTATION OF GILL REPORT

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I direct a question to the Minister of Labour. When does he propose to introduce legislation dealing with the recommendations of the Gill report?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have nothing to add to the comments made by the Prime Minister on this matter shortly after the session opened.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to ask the Prime Minister whether his attention has been drawn to the statement by the Leader of the Opposition last night, that the performance of the present parliament is as good as any in the past. If so, would he care to withdraw his complaint of a few days ago that we are not getting on with the business of the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that statement was not drawn to my attention, but of course I read it because I read everything that is written about the right hon. gentleman. But I noticed in the report I read that he made some qualification to that bald assertion that my hon. friend has made.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Does the Prime Minister agree with the qualification?

Mr. Pearson: I prefer the statement to the qualification.

SUPPLY

The house in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration including the national co-ordinating committee on agricultural services, contributions to commonwealth agricultural bureaux and a contribution to the agricultural economics research council in an amount equal to the contributions of the provinces but not exceeding $50,000, $3,368,900.

The Chairman: Vote No. 1 of the estimates of the Department of Agriculture is to be found in the main estimates at page 8 of the blue book, details on page 11. Shall the resolution carry?

Mr. Nielsen: Perhaps by way of explanation to the hon. member on the other side of the house who has just risen to his feet I might say that on April 24 I was speaking on this item, and still had some time left in which to discuss these estimates.

I will just spend a minute or two longer on the matter I was discussing on April 24. No doubt by now the minister has had full opportunity to inquire into the matter I partially raised on that date. Unfortunately time did not permit me to place all the facts on record for the minister's guidance. I will say to him now, though, that my information is that when Mr. Trach was requested to cut his contract, that is his contract to supply milk and ice cream to stations Namao and Griesbach, he was told there were certain elements and certain people who stated that if Trach did not agree to the contract being reduced from six months to three months "the Department of Agriculture could make it very difficult for us". That was Mr. McKay; and Mr. McKay, it should be said, is not an employee of the Minister of Agriculture; he is an employee of the Minister of Defence Production who I see, is sitting beside the Minister of Agriculture now, perhaps the better to make the explanations which are required.

Mr. McKay, at this particular interview of which I spoke, the employee of the Minister of Defence Production, then referred to the federal Department of Agriculture at Ottawa and particularly to the minister, that is the Minister of Agriculture; and Mr. McKay stated that he had instructions that the minister, that is the Minister of Agriculture, wanted the contract cut.

It is admirable that there should be co-operation between one department and another, but if my information is correct this is the wrong kind of co-operation when we have the Minister of Agriculture instructing an employee of the Minister of Defence Production in this fashion. Mr. Trach, I am

informed, told Mr. McKay that in his opinion the Department of Agriculture could not break the contract nor could the Department of Defence Production, since it was in writing and properly executed. But Mr. Trach was then informed by Mr. McKay, according to my best information, that there was a group of lawyers in Ottawa looking into the validity of the contract.

That is a strange statement for a public employee to be making to Mr. Trach, if it is true. It was just after that that Mr. McKay said the minister and the Department of Agriculture were "going to take the contract from us", that is from Mr. Trach, or at least reduce it from six months to three months.

What kind of pressure is this which is being brought to bear? It is strange that a contract for six months should be cut at all, or that these threats, if they were made, should be levelled. But the worst is yet to come. My information is that Mr. McKay then said to Mr. Trach that "we can, in accordance with instructions from Ottawa, find something wrong with your product". He was referring to the milk in question. In other words somebody was going to stick a manure fork into the cream can. I think this is the kind of threat which should be completely eliminated, particularly when there are executed contracts in existence. Here we have the old political patronage game coming back in full force as it used to be before 1957. Then Mr. McKay said during this interview, according to my best information, "I do not like to bring this up in reference to having your products declared unfit, but it is my superiors and the Minister of Agriculture in Ottawa that I take my instructions from."

These are very serious allegations indeed, and I would be happy if the minister were in a position to rise and refute them, though I have grave doubts whether he is in such a position. But I think he owes this committee an explanation; because if it is correct that patronage is again running rife, it is time a stop was put to it.

Mr. Drury: Would the hon. member permit a question? He has made reference to very serious charges. I should like to ask him whether he vouches in any way at all for what he is saying, or whether he suspects that it is all mere gossip.

Mr. Nielsen: The information I have is of such a character and of such substance that I would not be disclosing these circumstances to the minister unless I thought that (a) it was serious, and (b) it did have some substance. I cannot vouch emphatically and without reservation for the information I have, but I have every reason to believe—and the minister can take my assurance for this—that the allegations which have been made have a good deal of substance. They are deserving of explanation. They are allegations made by the person who holds this particular contract.

Mr. Drury: I am asking whether they were made directly by that person to the hon. member.

Mr. Nielsen: I have an obligation at this moment to treat this information with the same confidence as it was given to me. But I have been quite frank in disclosing the names to the minister in question and I have been quite frank in disclosing the allegations, for they are complete—

Mr. Drury: I am asking the hon. member this. Did he get this information at first hand from Mr. Trach?

Mr. Nielsen: I am not obliged to disclose this information to the minister, as he well knows. I do wish at this particular moment to protect the source of information that I have. If the two ministers concerned have an explanation which is acceptable to the committee, after the investigations that the Minister of Agriculture has obviously made since April 24—because he has had the time, and my information is that he has made those investigations—there will be no need to disclose my source of information.

Mr. Drury: Mr. Chairman, I am just seeking to ascertain whether this is first hand information obtained from the man who is making these charges, or whether it is second hand information. I can say right now that the allegations concerning threats allegedly made by the Department of Defence Production employee in Edmonton are wholly false. If the hon. member heard this directly from Mr. Trach, he has been misled. Perhaps he would agree that in the light of these circumstances Mr. Trach is not the kind of person with whom the government should be dealing—

Some hon. Members: Oh, oh.

Mr. Drury: —and perhaps we should have cancelled the contracts.

An hon. Member: Who is threatening whom now?

Mr. Drury: If on the other hand the hon. member got his information second hand, then perhaps Mr. Trach is not guilty of directly misleading a member of parliament. That is why I want to know.

Mr. Nielsen: Mr. Chairman, I really think the shoe is on the other foot. I have assured the minister and his colleague the Minister of Agriculture that these have not been

manufactured allegations. I would not have brought them before the committee unless I considered them to be of a most serious nature and of substance. I can tell the minister, though, that Mr. Trach is prepared to swear under oath with regard to the information I have disclosed to the committee.

Some hon. Members: Oh, oh.

Mr. Nielsen: It is all very well for the Minister of Defence Production to make these answers, which I am sure are very much welcomed by the committee because they want information as to the details and circumstances of this situation; but we should hear from the Minister of Agriculture, who is directly involved, because if the information I have disclosed is true it indicates that the Minister of Agriculture directly interfered with Mr. McKay, an employee of the Department of Defence Production, and made threats, as I put it in the vernacular of the west, to put the manure fork into the cream can.

Mr. Drury: Mr. Chairman, I do not quite understand these agricultural allusions, but this is an employee of my department in whom I have absolute confidence. He tells me that the statements the hon. member is now making are false and without foundation.

Mr. Woolliams: How did you get in touch with him so fast?

Mr. Drury: Some day perhaps the hon. member for Bow River will learn that we work faster than he does.

Mr. Woolliams: I rise on a point of order, Mr. Chairman. My point of order briefly is that the minister is denying a statement that was made this afternoon and says he has discussed it with his department. How could he communicate with the department, when he has been sitting in his seat in the House of Commons listening to the statement?

Some hon. Members: Hear, hear.

Mr. Drury: Apparently, Mr. Chairman, the hon. member for Bow River was not in the chamber when all this stuff was rehearsed a few weeks ago. Further, the hon. member for Bow River does not read his *Hansard* or he would have discovered the whole story.

Mr. Woolliams: I rise on another point of order, Mr. Chairman. I was in the chamber the last time this statement was made, and I do read *Hansard*. The minister is not my private secretary, and I do not think he can read the crystal ball that well.

The Chairman: In the opinion of the Chair that does not sound like a point of order.

Mr. Drury: Mr. Chairman, an employee in whom I have the utmost confidence denies categorically that he made any kind of threat to Mr. Trach or to the Purity Milk Company. Further, he has had no kind of pressure or indeed even suggestion from the Minister of Agriculture as to what should be done about this. The Minister of Agriculture first became aware of this matter when the hon. member for Yukon raised it in the house some two weeks ago. This was the first the Minister of Agriculture heard about it.

Mr. Starr: Where is Harry's tongue?

Mr. Drury: As the hon. member for Yukon has just pointed out, there is co-operation between the Minister of Agriculture and the Minister of Defence Production. I would again ask the hon. member for Yukon whether he is vouching for these baseless charges, in which case they require some investigation, or whether he is merely retailing gossip. If he has it from Mr. Trach that he is prepared to swear an affidavit as to the truth of these things, let us get it and let us look into this matter. But I would ask the hon. member not to retail misinformation which has the effect of blackening the character of reputable, honest, hard working public servants.

Mr. Nugent: Mr. Chairman, would the minister answer a question? Would he get an affidavit from his informant, as he is asking the hon. member for Yukon to do? Will he get such an affidavit, in the same manner?

Mr. Drury: Mr. Chairman, I would be quite prepared to get an affidavit from the Department of Defence Production employee.

Mr. Nugent: Would he be prepared to give it?

Mr. Nielsen: Mr. Chairman, it is all very well for the Minister of Defence Production to get up and reply, as he has, for his employee; but the Minister of Agriculture is of age and surely we can hear from him as to his reaction to these statements. I do not see how the Minister of Defence Production can stand up in this committee and inform us that an employee of his department, Mr. McKay, denies flatly having made these statements, when the statements that were made this afternoon were not in *Hansard* of April 24. Some of them overlap, but I put three additional statements on the record this afternoon that the minister had never even seen before, and very serious ones they were.

One of those statements was this. He—that is McKay—told Trach that there were certain elements and certain people who stated "That if we did not go for a three month contract"—that is, to reduce the six

months contract to three—"the Department of Agriculture could make it very tough for us". He, MacKay, then referred to the federal Department of Agriculture at Ottawa and in particular minister Hays. He stated he had instructions that the minister wanted the contract cut.

I cannot see how the minister, and above all Mr. McKay, can deny that this statement was ever made when this afternoon is the first time it has been put on the record.

Some hon. Members: Hear, hear.

Mr. Hays: Mr. Chairman, I would very much like to make a statement and I would like to stick to my notes, because this is the statement I prepared so I could answer this matter today when my estimates came up again. I would like this on the record, so I shall keep strictly to the notes.

In the debate on my estimates on April 24 the hon. member for Yukon raised a question concerning a contract held by a certain dairy to supply dairy products to two air force stations in the vicinity of Edmonton. He implied that there had been an improper attempt to cancel the contract which, I quote his own words, "cause some doubt as to the integrity of the department itself, its officials and the minister".

He mentioned a Mr. McKay as the local official who had been involved in the matter. During his remarks I interjected to categorically deny the insinuations he had made, which I was able to do so far as the department was concerned because it has nothing to do with defence contracts, and so far as I was concerned because I knew nothing about the matter. However, he had raised the subject just before the committee rose at five o'clock, which did not give me an opportunity to secure information to reply to him in detail at that time.

At the next sitting of the house, on April 27, on a question of privilege I stated that no official of the Department of Agriculture approached any member of the firm mentioned by the hon. member, and that no Mr. McKay worked for the Department of Agriculture in Edmonton. At the end of his remarks on April 24 the hon. member stated that he hoped my investigation would completely exonerate my officials and myself. If that was his hope I can only say that if he had made a very simple inquiry he would have learned that the Department of Agriculture has nothing to do with awarding contracts to military establishments. In fact I am surprised that a member of parliament of his calibre and intelligence did not know this.

I now wish to inform him that neither I nor my officials were in any way involved in contracts with the Purity Dairy for the supply of dairy products to the R.C.A.F. station Namao or the army station at Griesbach, and that at no time did I or my officials have discussions with Jacob Trach or any other member of the Purity Dairy firm with respect to those contracts. I have never seen Jacob Trach and I have never seen McKay. I have not been in Edmonton for a long time. Furthermore, the Department of Agriculture has absolutely no jurisdiction over health requirements so far as the quality of cream or milk is concerned in the province of Alberta. This is strictly a provincial matter. I think it would now be appropriate for the hon. member to withdraw the insinuations which he made on April 24.

Mr. Nielsen: Well, Mr. Chairman, I find that there is nothing to withdraw. I do not think the minister should have such a thin skin in this matter, because if he will carefully examine my remarks of April 24, as he himself has just recalled I said in concluding them that I hoped his investigations would exonerate him and the officials of his department.

Mr. Hays: Do you agree, then?

Mr. Nielsen: I think there are some further questions which must be answered here. For instance, the minister has not assured the committee that he never had, either himself or through his officials, any communications with Mr. McKay. He did not say that this afternoon, and I think we are entitled to that answer.

Mr. Hays: I said that categorically.

Mr. Nielsen: Then we must, of course, accept it immediately.

Some hon. Members: Withdraw.

Mr. Nielsen: Hon. members opposite are saying "withdraw". I think I have been very fair about bringing these circumstances before the minister. They are circumstances which have substance, and which if they are true amount to very serious charges indeed which require investigation. Let me put this to the minister; that while he can say he had nothing to do with D.D.P. contracts, it is quite another thing to say that there has or has not been any direct contact between himself or members of his department and an employee of his present seatmate the Minister of Defence Production. I would point out to the minister that he obviously had a prepared statement this afternoon, which of course is quite acceptable—

Mr. Hays: May I ask the hon. member a question. Does he think I did make some contacts in connection with this matter?

Mr. Nielsen: This committee is the judge of that, not I, Mr. Chairman. It is for the committee to judge whether or not the minister's conduct is above reproach in the circumstances. I have already said that I must accept the word of the minister in this house, because that is a courtesy that is extended to all hon. members. However, he obviously had a prepared statement this afternoon to which he adhered quite closely, as explained by him. But prior to reading it and subsequent to April 24, when I put on the record the initial circumstances surrounding this matter, the remainder of the circumstances had not been disclosed. Therefore I suggest he examine the record in today's *Hansard*, when it is printed in order to assess the additional information which has been put on the record since April 24, because there are additional factors which he must now consider. The statements I have put on the record today cannot have been denied with any force by the minister in his prepared statement this afternoon since this is the first occasion upon which he has heard them. The statement he read this afternoon is all right as far as it goes, but it only goes as far as covering the information which I put on the record last April 24. I will leave that matter with him and he can explain it at a later date.

Mr. Hays: Would the hon. member be prepared to make the statements he has made today outside the house?

Mr. Nielsen: In the same way I have made them in the house I would certainly be prepared to make the same statements outside the house. I think I have been fair in bringing these circumstances to the minister's attention. I have not done so in a way which has besmirched his reputation or smeared him. He put it that I was attempting to smear him, but—

Mr. Hays: Your mother must be very proud of you.

Some hon. Members: Oh, oh.

Mr. Nielsen: When my mother was alive she was very proud of me. I think I have been fair in bringing the matter to the minister's attention. Again I would refer him to the closing remarks of the discussion on his estimates on April 24, when I said that I hoped the minister's investigations would show that there had been nothing wrong and that those investigations would exonerate him and the officials of his department. However, I suggest to him that he still has a few inquiries to make respecting the information I have given him this afternoon, because I did not have time to put it on the record on April 24.

Mr. Hays: I have no more inquiries to make.

Mr. Nielsen: Then I think if he says that it is a dereliction of the minister's responsibility, because there have been other serious statements made today which require investigation. The statement he made today covers only the information placed on the record on April 24, and that is all it could cover. That is also the case regarding the denials of the Minister of Defence Production with respect to his employee; his statements go only so far as the information which was available to him in the record of April 24. I suggest that he too look at the additional information which I have placed on the record this afternoon.

Mr. Drury: Mr. Chairman, the hon. member must have heard the Minister of Agriculture say that at no time did he or his officials instruct Mr. McKay. This is information which the hon. member for Yukon received in some fashion, he will not disclose how. However, he is prepared to retail what I suggest is pure unadulterated gossip, and I regret very much indeed that an hon. member of this house should lend himself to the practice of blackening the reputations of honest members of the public service with second hand gossip.

Mr. Nielsen: I defy the Minister of Defence Production or anybody else who has listened carefully to the remarks I made today or to my remarks of April 24 to make the charge that I have attempted, either deliberately or unintentionally, to blacken anyone's character or reputation. I made it quite clear on a number of occasions that these are matters which have to be investigated; that if the results of the investigations showed that there should be an exoneration of the minister and his officials or the Minister of Defence Production's officials then that was fine, and that is the way it should be. We would all be very happy to see that result. But I think it is the responsibility of an hon. member, indeed his duty, when information of this sort comes to him, to put it before the responsible minister in a committee which is considering his estimates in order that it can be looked into. That is the whole purpose, to my mind, of looking at estimates in this way.

Mr. Drury: Mr. Chairman, if I am being lectured on the responsibilities of a member of this house I would suggest that it is the responsibility of an hon. member, before he makes charges in this house which outside the house would be libelous or slanderous, to satisfy himself as to the truthfulness of such statements. The hon. member for Yukon, by his own admission, did not even take the

trouble to ascertain that Mr. McKay was not an employee of the Department of Agriculture. He did not even take the trouble to ascertain that the Department of Agriculture has nothing to do with the letting of milk contracts for the armed forces. I would suggest that the hon. member for Yukon has been unfair, that he is continuing to be unfair and further, that he has shown a complete lack of understanding of the responsibilities of a responsible private member of this house.

Mr. Nielsen: Mr. Chairman, I would seriously suggest to you that the Minister of Defence Production should come off it. He has implied that I have made statements in the house under my immunity as a member of the house that would be libelous or slanderous if made outside the house. I have just told him that, having regard to the manner in which the statements were made in the house, I would have no hesitation whatsoever in making them outside the house. The Minister of Defence Production, in making such an observation, purports to set himself up as judge of what constitutes libel and slander. There was no intention to libel or slander anyone.

Another point the minister makes is that I did not satisfy myself as to the truth of what was said. The Minister of Defence Production asked me if I was prepared to accept the information I had as being my own. He did not ask me whether I believed it to be true. If he had I would have said yes, because the information in my possession is such that I must believe these statements to be true on the basis of what I have. Prima facie I must believe them to be true. I simply cannot tell the minister at this stage the manner in which that information came to my notice, but I satisfied myself as a responsible member of the house that the information was of that substance, character and gravity as to require an explanation from the minister.

Mr. Drury: That it required investigation by the member, not merely an act of credulous belief.

The Chairman: Order. I certainly have no intention of interrupting the discussion that is going on at the moment but I wonder whether the Chairman might be allowed to express an opinion. From the course of the debate that has been going on this afternoon it would appear to me to have been established to my satisfaction at least that the complaint raised by the hon. member for Yukon does not actually relate to the Department of Agriculture.

Some hon. Members: Yes.

[Mr. Drury.]

The Chairman: That is my opinion. I might say that when it was first raised at the time we were discussing this item a while ago I expressed some doubt whether it really came under item No. 1 of the Department of Agriculture, but in view of the importance of the matter raised by the hon. member for Yukon I took no exception to his continuing to discuss it. But I certainly have serious doubts and I am sure hon. members will agree with me that there is serious doubt, in view of the statement that has been made by the Minister of Agriculture, whether this matter actually comes at all within the purview of item No. 1 of the Department of Agriculture.

Mr. Nielsen: Mr. Chairman, I think you will have noticed that I was prepared to leave the matter about 20 minutes ago and had it not been for the groundless and rather childish accusations of the Minister of Defence Production it would have been left there. I bow to your ruling on the matter, of course, although I differ with it as I did on April 24.

I leave the matter with the ministers as responsible ministers of the crown. There is additional information of a serious nature that requires an investigation and an explanation brought back to the committee. I will leave the matter right there.

Mr. Hays: Mr. Chairman, just before we leave it may I say I think I speak for all in saying that we would be quite prepared to have a judicial inquiry if the hon. member will give us the source of his information.

An hon. Member: They do not like the one that is going on now.

The Chairman: Order. Perhaps the hon. member might want to return to this matter later in the debate. There are quite a few members who have expressed their desire to speak in the course of this debate. I have a long list of members who have come to me and have said they want to speak. Perhaps it would be fair to give them a chance at this time, although if the hon. member has a parting word I will recognize him.

Mr. Nielsen: I will not say another word on this subject. I have two more that I can deal with in a very short time. They are of a similar nature to the last one, so the minister had better be prepared to keep his investigators busy because, whether or not he knows it, there seem to be goings on among members on the benches opposite as well as in his own office of which I am sure he would not approve. I am going to bring two matters to his attention.

The Chairman: Order. Is the hon. member now going to discuss another point? His time expired quite a while ago. I realize there have been interruptions but the hon. member spoke for 14 minutes on April 24 and he has certainly been speaking for more than 16 minutes this afternoon.

Mr. Nielsen: Mr. Chairman, I am not for a moment suggesting that you are running interference for the ministers. I am not for a moment suggesting that, but—

The Chairman: Order. The point is very simple. According to the rules the hon. member has 30 minutes and he has spoken for more than 30 minutes.

Mr. Nugent: Mr. Chairman, every time there is an interruption his time starts again.

The Chairman: Not necessarily. If another member rises to ask a question or if another member—

Mr. Nugent: The ministers have made several statements this afternoon, Mr. Chairman.

The Chairman: Order. To my mind it is just a question of being fair to all members of the committee. I enjoy listening to the hon. member for Yukon and I am sure the point we have been discussing this afternoon is of interest to the whole committee. But the hon. member had the floor when we debated this item on April 24 and he called it five o'clock. At that point he had been speaking for 14 minutes. He continued this afternoon and, although there have been interruptions back and forth, the committee has been sitting for some 40 or 50 minutes and, while I have not kept the time, I am certain that the hon. member has spoken for more than 16 minutes. I would be inclined to see another hon. member in order to give someone else a chance to contribute to the debate. Perhaps the hon. member for Yukon might speak again later, because he can speak as often as he wants to.

Mr. Nielsen: On the point of order that has been raised by you, sir,—

The Chairman: Order. The hon. member for Villeneuve is rising on a point of order.

[*Translation*]

Mr. Caouette: Mr. Chairman, I appeal to your sound judgment.

It is true that the hon. member for Yukon (Mr. Nielsen) took up quite a lot of our time today. However, he was interrupted quite often by the Minister of Defence Production (Mr. Drury) and by the Minister of Agriculture (Mr. Hays).

The points raised by the hon. member for Yukon are very important, so much so that the two ministers sometimes have to get up at the same time to try to refute what the hon. member for Yukon is saying.

I understand that in agriculture—

The Chairman: Order. As far as I can see from the remarks just made by the hon. member for Villeneuve (Mr. Caouette), there is no point of order. He may be very eloquent as the spokesman for or the defender of the hon. member for Yukon (Mr. Nielsen), but the reason I intervene is that the hon. member for Yukon has just finished making a particular point. Since the discussion on that point is over, the committee might feel that another member should have the floor.

However, if the hon. member for Yukon feels like concluding his remarks, I certainly do not want to stand in his way and I recognize him immediately.

[*Text*]

Mr. Nielsen: On the point of order that has been raised by you, sir, I believe that under the rules I am entitled to continue now. I could have dealt with the two remaining points I want to bring to the minister's attention in the time that has been taken on the point of order, if it had not arisen.

I believe that under the rules I have a right to go ahead, and if I may be allowed to continue I shall be finished in a few minutes.

I wish to draw attention to the fact that the hon. member for Rosedale, the parliamentary secretary to the minister, has been making certain representations to his department with regard to the appointment of solicitors to the Farm Credit Corporation. Now, the hon. member for Lincoln had requested the member for Rosedale to appoint Mr. John Hicks; Mr. Frank Flynn; Mr. Harry P. Cavers; Mr. Keith Pedwell and Mr. Hugh Mahoney, all of St. Catharines, to share equally in the corporation work. The member for Rosedale, I am informed, said to the member for Lincoln that five solicitors were too many to be working for the Farm Credit Corporation. The hon. member for Lincoln then came back with a compromise saying, well, perhaps you had better just appoint Mr. Hicks and Mr. Mahoney to share equally in this work. The hon. member for Rosedale said it was government policy, or policy in any event, that only one solicitor is normally appointed to do the Farm Credit Corporation work. The hon. member for Lincoln then said that the work of the Farm Credit Corporation was in arrears because of the very poor schedule of fees being paid to solicitors doing this work.

The hon. member for Rosedale also made reference to the fact that it was embarrassing

to appoint solicitors to the Farm Credit Corporation and then turn around and fire others. He evolved another procedure for going about this. The hon. member for Rosedale's suggestion was, we will not fire these old solicitors at all. What we will do is, we will not send them any work at all and eventually, in the fullness of time, they will realize that since they are not getting the work somebody else is replacing them. It will be much easier for the Farm Credit Corporation and the solicitor in question.

Mr. Hahn: May I ask the hon. member a question? For how long were the solicitors to whom the hon. member is referring employed by the department? Was it since 1957?

Mr. Nielsen: I cannot say from my own knowledge, but I understand these solicitors have been working for the corporation since its inception.

However, we have a sudden recommendation from the hon. member for Lincoln to the hon. member for Rosedale, who is the parliamentary secretary to the minister, to appoint five solicitors. The member for Rosedale says this is not good policy and they should appoint one. Then, when he gets one appointed he says: We are not going to tell the old one he is fired; he is not going to get any more work. We will not tell him a thing, we will just let him wait until he realizes another solicitor has been appointed, and in the fullness of time he will realize this when he is not getting any work. This is a real plan, I must say.

Mr. Greene: Will the hon. member permit a question? I wonder if he could give the source of all this keyhole gossip with which he is favouring the committee this afternoon?

Mr. Nielsen: I mentioned the hon. member for Rosedale. I have mentioned the hon. member for Lincoln. I think that if the information I have given the committee is the least bit faulty, then they should get up and tell the committee that this is so.

There is another one. These representations came from the hon. member from Renfrew, a very distinguished member of this house. He made representations to the hon. member for Rosedale who, I invite the committee not to forget, is the parliamentary secretary to the Minister of Agriculture—no, justice.

Mr. Greene: Mr. Chairman, I rise on a point of privilege. If the other information the hon. member has is no better than his knowledge of the parliamentary secretaries, then obviously all of his information is incorrect. I should like to enlighten the hon. member by informing him that the hon. member for Rosedale is not the parliamentary secretary to the Minister of Agriculture. The hon. member should inform himself of other things as well as these very fundamental matters.

The Deputy Chairman: Order; I must appeal to the good sense of the committee to confine itself to the first item of the estimates of the Department of Agriculture.

Mr. Nielsen: The hon. member for Renfrew South obviously was not listening because before he rose I did correct my reference and said the hon. member for Rosedale was the parliamentary secretary to the Minister of Justice. In any event, here we have the hon. member for Renfrew appealing to the hon. member for Rosedale to appoint Mr. Terence V. McCann of Pembroke in place of Mr. H. J. Bradley to do the Farm Credit Corporation work in that area. This one is a little more serious, I think and perhaps is going to require a little more explanation, because there is a hidden inference in this one. My information is that the hon. member for Rosedale had been informed that the chairman of the Farm Credit Corporation was reluctant to make any change and therefore requested the hon. member for Rosedale to see what he could do. In turn, the hon. member for Rosedale then communicated with the minister's office and passed on the request. Since the chairman was reluctant to make any change, would you go up and see Mr. Bradley and put Mr. McCann in? It appears we are right back to this old system of the pork barrel.

Mr. Greene: I rise on a point of privilege, Mr. Chairman. Inasmuch as my constituency has been mentioned, I should like to inform the hon. member that his keyhole source of information is incorrect. Either he should check back—I do not know whether he gets this information in a public house, through a keyhole, from the messengers, or the char staff, or from the Dorothy Kilgallen of the house. I suggest that possibly he will become a gossip columnist like the hon. member for Port Arthur, and one in this house is surely sufficient.

I deny the information that he has. In so far as my riding is concerned, no such recommendation was made. Had it been made, I think it would have been an excellent appointment because all of these gentlemen are highly qualified solicitors, far more competent than some of the gentlemen who were doing the work between 1957 and 1962. However, on the point of privilege, I deny this information and I challenge the hon. gentleman to give the source of his information, if it is anything more than idle corridor gossip.

Mr. Nielsen: I should say the hon. gentleman has made a comparison between the admirable gentlemen who are proposed for this work and the gentlemen who have done this work, as he says, between 1957 and 1962. Now, I am a greenhorn when it comes to agriculture. I have not even got my straw hat, but at least I know that the corporation was not set up until 1961. I must say that all of us have to accept the hon. member's statement because that is the courtesy we extend to all members in all corners of the house. However, I suggest to him he should not be so brash as to make such a sweeping denial of this information until at least he has consulted with his colleague, the hon. member for Rosedale. It just might be that the hon. member for Rosedale may have been in touch with the minister's office, unbeknownst to the hon. member for Renfrew South. I suggest that he exercise a little caution.

Mr. Greene: I very much appreciate the learned, experienced and knowledgeable hon. member lecturing me on the proper procedures. He has already instructed the Minister of Industry, whom he called the Minister of Defence Production, one of the many errors the hon. member has made today. I very much appreciate the lecture, but I have a little more to do in this chamber than to investigate all the corridor and key hole gossip I hear in this place.

Mr. Nielsen: I have no doubt whatever the minister will get up and participate with respect to these two particular matters, and tell the committee whether or not we are correct in the names we have cited, and the names of the members who made representations to the minister's office. All I have to say about the circumstances I have drawn to the committee's attention is that we are right back into the old pre-1957 pork barrel, the old Ottawa valley game, as I think it used to be called in the past.

Mr. Hays: I think I should probably explain something about the Farm Credit Corporation. It was set up long before 1961. We have tried, and I know the former government did also, to cut down the time it takes to service a loan so far as the farmers are concerned. After all, they are of No. 1 importance. My instructions to Mr. Owen, the manager of the corporation, have always been that we want to cut down this time. Last year we were able to cut it down substantially. This year the members of the corporation are charged with the responsibility of cutting it down further—ten days—regardless of what lawyers are handling the loans.

If the lawyers do not service them immediately and they have not got a real good excuse, then they are to be replaced. Everyone who has been appointed as a lawyer handling Farm Credit Corporation loans has been instructed to do the work quickly. These are my instructions, and it must be done on merit, regardless of politics. My instructions are that no matter what a lawyer's politics are, if he cannot cut the mustard and service these loans for the farmers, then he is to be replaced. This will continue to be our policy.

The Farm Credit Corporation is a big business. It has now handled up to nearly $400 million. The act is a good one and I give the previous government full credit for it, but it is an act which replaced another one that also did a great deal of good. Our main concern is that the farmers be taken care of first, and that all appointments be made on merit. I can assure the committee that these are my instructions, as Minister of Agriculture, to the chairman of the Farm Credit Corporation.

Mr. Nielsen: I just want to conclude my remarks—

[*Translation*]

Mr. Caouette: On the point of order, Mr. Chairman, the Minister of Agriculture (Mr. Hays) and the hon. member for Renfrew South (Mr. Greene) exchanged a few remarks for a while always to criticize the hon. member for Yukon (Mr. Nielsen) for statements made by the latter this afternoon.

Now, in the field of Canadian agriculture, political patronage is found not only in the Yukon but everywhere in the country. Such patronage is not being practised in only one district, but in all parts of Canada. The Minister of Agriculture knows about it. Let us put an end to this patronage and let the $400 million—

[*Text*]

The Deputy Chairman: Order. I must say to the committee that I think the procedure we are following is very, very irregular. I understand the committee gave permission to the hon. member for Yukon to continue his remarks beyond the normal 30 minutes.

Mr. Nielsen: No.

The Deputy Chairman: I may be wrong there, but this is what I understood. The hon. member for Yukon has the floor, and until the hon. member has completed his remarks I would hope the rule will be observed that a member can make a speech without being interrupted.

Mr. Caouette: A question of privilege is submitted to Your Honour. Can we deal with it or not?

The Deputy Chairman: If the hon. member is rising on a point of privilege I should be pleased to hear him.

Mr. Caouette: No, the minister rose on a question of privilege.

Mr. Nielsen: Mr. Chairman, I could be through in about three minutes if the committee will permit me. I would not have risen again if it had not been for the hon. member for Renfrew South referring to my information as being corridor gossip.

Mr. Greene: Keyhole gossip.

Mr. Nielsen: Or keyhole gossip. I have in my hand a letter which concerns him. I am going to read that letter, and if the committee wants me to table it I would be happy to do so.

I have here a letter marked private and confidential, dated May 1, 1964, and signed by Donald S. Macdonald, M.P., parliamentary secretary, addressed to D. F. McIntosh, Esq., executive assistant to the Minister of Agriculture. It reads:

Dear Don:

James Forgie, M.P. for Renfrew North has requested that Mr. Terence V. McCann of 73 Pembroke street west, Pembroke be retained for all Farm Credit Corporation work in this area in place of Mr. H. J. Bradley who, I believe, is now receiving this work.

In view of the reluctance of the chairman of the Farm Credit Corporation to make these changes, I would appreciate it if you could assist me in carrying out Mr. Forgie's request.

Mr. Woolliams: What a thing.

Mr. Pigeon: The same old gang.

Mr. Greene: Would the hon. member table that letter?

Mr. Nielsen: If it were within the rules.

The Deputy Chairman: Order. The hon. member is not permitted to table private correspondence.

Mr. Greene: On a point of privilege, I believe that the rules provide that if he is reading the letter he is vouching for its authenticity, for the authenticity of its contents and its signature.

The Deputy Chairman: The hon. member may be quite true in saying that the hon. member for Yukon is vouching for the truth of the document, but the document is not a public document and therefore cannot be tabled.

Mr. Nielsen: Unfortunately I am prevented from tabling it by the rules but I have no hesitation, believing in the integrity of the hon. member for Rosedale, that he wrote this letter and signed it on May 1.

[Mr. Caouette.]

Mr. Greene: Could the hon. member tell us how he came by the letter?

Mr. Nielsen: Wouldn't the hon. member like to know.

Mr. Greene: I take it the hon. member declines to answer my question.

Mr. Nielsen: If the hon. member, the minister, the hon. member for Lincoln or the hon. member for Rosedale would like to know the source of the information with respect to the solicitor's name cited in respect to this situation, I would refer them to the letter of Mr. Donald S. Macdonald, M.P., member for Rosedale, under private and confidential cover, to the same executive assistant dated May 1. It is a letter too long to read, but I would be happy to do so if the committee wishes.

Mr. Hays: I would like to make a few corrections for the record as it seems quite easy for the hon. member for Yukon to make these mistakes. He said the Farm Credit Corporation started in 1961. The Farm Credit Corporation replaced the old farm loan board on October 5, 1959.

Mr. Nugent: Would the minister correct that? It was set up then, but it did not start operations until 1961.

The Deputy Chairman: Order; the hon. member for Champlain.

Mr. Greene: I wonder might I ask the hon. member a question?

The Deputy Chairman: Order.

Mr. Greene: He has yielded the floor. I wonder could he tell us if that was the original or a copy?

The Deputy Chairman: Order; the Chair recognizes the hon. member for Champlain.

[*Translation*]

Mr. Matte: Mr. Chairman, I shall try to be more concise than the hon. member for the Yukon (Mr. Nielsen).

A country has never been prosperous without a flourishing agriculture, and especially in a country where agriculture is prominent in the economic life, as is precisely the case for Canada, a country where agriculture is extremely diversified, where farm yields are enormous and could even be bigger, if all agricultural fields were developed adequately all across the country.

Canada has a Minister of Agriculture whose responsibility includes a farm production infinitely diversified on a territory as broad as a continent. The great importance given to agriculture in western Canada, on account of its enormous production of wheat and grains,

has often led people to believe that the Canadian agriculture boiled down to that.

Except in a few cases, the Minister of Agriculture has always been a member from western Canada, well informed in matters related to wheat and inclined, of course, to think that all other matters are of secondary importance, although food consumption on the island of Montreal, for instance, is greater than in the three western provinces put together.

We recognized that this situation had to stop and that, although it was good for the prosperity of two or three provinces, it played against the whole country's economy and prosperity. The prosperity of western Canada cannot guarantee the prosperity of the whole country, and the rest of the country cannot remain at the mercy of conditions which result in an excellent crop one year and a poor one or none at all the next. The present Liberal government recognized and claimed that the agricultural situation in Canada, because of the size of our country and the diversity of its production, could not be directed efficiently by a single department.

We had stated that an important aspect of our policy would be to give eastern Canada its own minister, who would be entirely responsible for part of the farming development in the east and who would look after raising the standard of living of our farmers, by promoting full efficiency in agricultural and rural activities, which is an essential factor of prosperity, development and progress of our economy.

For the eastern farmer the dairy industry is just as important as the wheat crop for the western farmer. He cannot prosper without the development of his herds. It matters little whether he has the best cattle, the largest and best pasturage if he cannot market his products adequately, if he does not know how to transfer his dairy industry so as to make it more profitable.

The western provinces do not use up all of their wheat, they sell it to the whole world. The grain from western Canada helps to feed hundreds of millions of people, and we can but rejoice to see Canada, and specially the Liberal government, selling so much wheat and other grains to all parts of the world.

This however should not make us lose sight of the fact that in the other half of Canada, where we live, there are immense areas with tremendous possibilities for the dairy industry, and the raising of cattle. Wide markets exist in other continents for our products; and, yet, the yield of that form of agricultural activity is not what it could be; a part of the population in the areas where these activities could be carried on and expanded, does not earn enough to provide for its essential needs. This is the new task that has been assigned to the Minister of Forestry (Mr. Sauvé), so that he will take care of this serious situation.

The problem is not that this part of the country cannot put agriculture and farms on a profitable basis. The simple fact is that agriculture in eastern Canada has never been given its rightful place, even if the opposition seems to find today solutions to all the problems which it could not settle when it was in power.

The possibilities of a country are not only measured by the amount of wheat or grain it can produce. We cannot take into account only one form of farm products and exclude all others. We must think of the whole and of all its component parts.

The fact is that eastern Canada has all it needs to put agriculture to the forefront. Vast areas are available for the kind of agriculture which would bring them greater prosperity. Some residents of eastern Canada have been living there for a long time; they offer guarantees of stability which perhaps have no equal anywhere in the country.

The people of eastern Canada do not have to become farmers. They are farmers by tradition and heredity, and a large number of them ask for nothing better than to remain farmers, providing they can make a living out of the soil and other related industries. Let us see the situation under its true light, however. If so many farms are abandoned, it is not because the soil is exhausted but because the families who had settled there could no longer make a living on those farms.

What is the use of having the best dairy herds in the world, the finest livestock in the country, if you cannot earn a decent living? You will have to live from hand to mouth, you will be compelled to stop fertilizing your fields and your pastures. Your property will start to run down; your family will be unable to live on the farm; one by one, your children will leave for the city, quite often without adequate training to earn a living. You will be left without the necessary help. With your children gone, you will not have the means to hire outside help and everything will go to pot.

All around you everybody is suspicious and pessimistic. Everybody says: what is the use of staying on the farm if nobody cares for us, if nobody does anything to help us.

I very often visit my riding which is partly rural. I see fine farms, fine herds, and a population which is sound, strong and skilled in all farming activities. But what concern, what pessimism among many of those farmers. They are wondering why they should remain on the farm and stick to farming.

Under the strong leadership of a minister whose purpose is to remedy so much misery, we wish to restore the confidence of our people. We must see, judge and act. Everything cannot be done overnight, especially in view of the slowness of this house.

In order to cope with the situation, we needed a minister who will deal especially with that poverty, a minister who will be completely aware of the rural situation, of its problems and possibilities, who will know the rural population, their requirements and what they can offer in terms of character, initiative, sustained work; a minister whose everyday concern would be to work so as to develop and revive that agriculture and promote its expansion, in order to obtain a proper efficiency, and who would move heaven and earth to ensure its maintenance.

Every week, commercial and economic missions come to Canada. Every week, similar missions are leaving Canada. The day when such missions will concern themselves with the lot of eastern farming, we can start thinking there is a will to do something with a view to the prosperity and welfare of a part of the people of eastern Canada.

Most recent surveys indicate that the number and the percentage of unemployed people are larger in the east than they are in the west. Would it not be because we have failed to see the situation under its true light, especially for the last five years?

There is only one way to make agriculture, which is quite different in eastern Canada, a prosperous, living and lasting industry. On the one hand, it must be organized so that the farmer will make a living by finding permanent markets and exporting his products. On the other hand, we also need a government aware and convinced of its responsibilities, a minister whose constant concern and essential task will be to organize accordingly his activity and that of the agencies under his responsibility, namely rural development, especially ARDA, by making it immediately more flexible and effective. Once agriculture is put back again on a sound economic basis and assured, by its own nature, of its future development, it is the organization of economic markets which will enable it to go ahead.

To secure our foreign markets is to guarantee full employment at home. Our recent wheat sales to the Soviet union, Bulgaria, communist China, Czechoslovakia represent a fantastic transaction, if we think of eastern Canada, and we are very happy about it.

The agricultural policy has been very successful for the west of the country. We are able to do as well for eastern Canada, where farming also has a bright future, provided a special and essential part of the operations is in the hands of a minister who knows those possibilities and endeavours to take advantage of them as much as possible.

Agriculture has a double purpose, that is to feed a nation and, the economic purpose, to create markets in the world to balance its credit and its prosperity.

In that case, we should grant subsidies and credit to the farmers who would convert their dairy production to something else, like beef cattle for instance. We should impose high standards for milk quality, the farm as well beef cattle, and control milk sales through a national marketing board.

There is another thing we want to correct. Farmers in general, and more particularly in the east of this country would certainly benefit therefrom, because they are not informed of prospective markets for their products. There are, for instance, many farmers who know, as I said earlier, that the European market has unbelieveable prospects for our farming industry? We need a quick and dynamic information service. We need a research council on marketing, on the transformation and production of vegetables and animal products.

I think some beneficial solutions could be found for our farmers by establishing a "control council" for production and stabilization of feed grain prices by eliminating speculation.

If we want to help our farming industry, we should give it our special attention. The farmer is often affected by excessive production, by instability of prices, and his products are too often the prey of speculators who benefit more from government grants than the farmer himself.

We must plan, guide and control the demand and production by means of statistics, so that the production does not exceed twice the demand, thus lowering prices, which forces the farmer to sell his products at less than cost.

The issuance of breeding licenses would rationalize production and probably eliminate an unjustified competition against the farmer, which often leads him into a financial mess.

Breeding should be the responsibility of the farmers and not of the white collar workers, so that systematic speculation might be avoided. It would also be appropriate to define exactly the farmer's duties and to outline his aims, as is the case among the professional classes and tradesmen.

Farming was formerly the world's finest profession; unfortunately, it has become an industry. Let us revalorize the farmer's role; let us give him a real professional code;

I believe that such a course of action would dignify the farming profession; as all other professions and trades, it will support a man and his family properly, without recourse to all kinds of grants, which are often but mere poultices, devoid of healing power.

We have started dealing with these matters. The farmers would not expect less from us. Economy in eastern Canada is the foundation of their concerted efforts. We would not really succeed in rehabilitating economy in eastern Canada without first grappling with this problem. The farmer must be able to make a living for himself and his family on his farm alone, without going to the city, for whole seasons, if not for the whole year round, to earn part of his income; there are many people having to earn money, who cannot work and earn their living in cities, whereas the farmer, on the other hand, should be placed in a situation allowing him to ensure amply his subsistence through the sole income to be drawn from his farm. Such a policy of economic balance is essential if Canada is to have the economic and social security it needs in order to be a happy country in which each social class enjoys the well-being it is entitled to.

There is another very important point I wish to emphasize in order to show you that the French Canadian farmer does not feel at home in Ottawa but rather like a stranger.

French Canadian farmers, who make up 30 per cent of the farmers of Canada, cannot make themselves understood in the Department of Agriculture, because the very great majority of the civil servants in Ottawa, if not all, do not speak French but only English. There has been only a little improvement up to now. We cannot insist that English Canadian farmers speak French or that French Canadian farmers speak English, but we could insist that both be understood by civil servants, who are their employees.

If we really want to have unity, recognition of equal rights for both nations, parliament must develop bilingualism more intensely so as to include our farmers.

Our farmers believe in our Liberal government because we do not want speeches only but action that will satisfy all the aspirations of our Canadian farmers.

[*Text*]

Mr. Danforth: Mr. Chairman, I see there are just a few minutes at my disposal before we call it five o'clock. Perhaps that is indeed fortunate, because in my 30 pages of notes here I have a paragraph of commendation and 29 pages of condemnation. Perhaps I can get the commendation on the record before five o'clock. When the Minister of Agriculture gave his opening address on these estimates it was expected from all parts of the house that he would deal with some policy in regard to agriculture as put forth by this government. The picture he painted in his remarks was, of course, of a somewhat rosy nature. He did state that the gross national income from farming rose in the last 12 months, for the year 1963. He did state and illustrate the importance of the research being carried on by the Department of Agriculture.

He commended the minister's department and we on this side of the house certainly want to endorse his commendation. Research in the field of agriculture in Canada is known throughout the world. These men are leaders in the field and certainly deserve commendation at every hand.

The minister dealt with an attempt by him and his department to bring the matter of research closer, in implementation and understanding, to the farmer himself, and I think this is a fine step to take. Too often have we had a tremendous amount of work done by the research department which would have been of extreme benefit to the farmers had it been initiated, but perhaps through some lack of communication, either on the part of the department or the farmers themselves, it was impossible to communicate this vital knowledge to the farmers. Therefore any effort made by the minister and his department to assimilate this information and distribute it among the farmers will be appreciated by all in agriculture clear across this dominion.

The minister also spoke of his activities in the development of livestock at the fairs. I think this is a step which is long overdue. I think the minister and the government appreciate the fact that the return of the fall fair to its former dignity, where we had greater emphasis on agriculture and less emphasis on the carnival aspect, would be of tremendous interest and benefit to all citizens of Canada. It should be a showcase for agriculture. We will have to wait, of course, and see what the new regulations the minister has introduced for the fairs bring forth. I imagine there is no reason to doubt that the minister and his associates will work very closely with the leaders in the livestock industry to set up these particular classifications.

I noted that the minister dealt first with the Hereford breed. I think he did this because the Hereford is a universal breed from coast to coast in Canada. The farmers in Ontario will be particularly pleased that he spoke about the fair in London and stated that perhaps this would be a good place to introduce such a policy, as far as dairy cattle are concerned. I should like to thank the minister for his praise of the cattle breeders in the

London area. We in southwestern Ontario think we have cattle breeders second to none.

Having said that, Mr. Chairman, I should now like to deal for a few moments with what is happening in the agriculture field today. Is the picture the minister painted as rosy as he says? Does this government know exactly what is going on in agriculture today? Are the farmers as happy and as satisfied from coast to coast as he would lead us to believe? I think the only way we can approach this problem is to analyse the situation. I never like putting a lot of figures on the record but I should like to illustrate what is being done.

The minister stated that the net income has increased in the last 12 months, and this is absolutely true. We all realize that the tremendous sales of wheat as well as other grains to communist countries have in the main been responsible for this. But when we analyse the figures which have been put on the record we find that the net income to the farmers clear across this nation, even with the tremendous sales of grain, has only gone up from 1962 to 1963 to the extent of $37 million. This leads us to wonder if all is well across the farm front of this nation. After delving into the matter a little further what do we find? Let us compare the incomes in 1962 with the incomes in 1963. During the year 1961-62 there was an increase in farm income in every province across the dominion. But what happened in 1963? In the province of Alberta there was an increase in income from 1962 to 1963 of $15 million. In the province of Saskatchewan, that great wheat bowl, what do we find? The increase in income was $97 million.

Now let us look at the rest of the picture in this rosy country of ours, this utopia for agriculture. What happened between 1962 and 1963 in Prince Edward Island? The income went up between 1961 and 1962, but last year it went down $130,000. What happened in Nova Scotia? Last year the income for the farmers was down $1.5 million. In New Brunswick it was down $900,000. And what about Quebec? This is the government which was going to bring utopia to the farmers of Quebec. Their needs were going to be looked after as never before. According to the minister, he said that the income from the dairies was the greatest since any time since confederation. Let us just see what the record is for the province of Quebec. The income to the farmers of that province went down $12 million.

What was the position in Ontario? We in Ontario were a little more fortunate: The income only went down $2,250,000. What happened in Manitoba? It went down $15 million. What happened in British Columbia, that province on the west coast in which is grown all the wonderful fruits and vegetables and which has a great lumber industry? The income to the farmers in the province was down $4 million. Mr. Chairman, may I call it five o'clock.

The Chairman: Order. In order to permit the house to proceed to the consideration of private members' business, it is my duty to leave the chair.

Mr. Deputy Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions, public bills.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Bill No. S-11, to incorporate Canadian Conference of the Brethren in Christ Church.—Mr. Greene.

Bill No. S-14, respecting The Dominion Life Assurance Company.—Mr. Weichel.

MOTIONS FOR PAPERS

MAPS SHOWING ELECTORAL BOUNDARIES

The house resumed from Thursday, April 30, consideration of the motion of Mr. Martineau:

That an order of the house do issue for a copy of all maps, drawn up or deposited with the chief electoral officer or the representation commissioner, pertaining to the proposed redistribution of electoral boundaries in Canada.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, when I was giving my impressions, not quotations, a week ago, concerning this notice of motion—

—for copy of all maps drawn up or deposited with the chief electoral officer and the representation commissioner, pertaining to the proposed redistribution of electoral boundaries in Canada.

—the Minister of Transport (Mr. Pickersgill), who is not in the house now, said that the tabling of those documents would create confusion for the people, the hon. members and even for the chief electoral officer.

Mr. Speaker, that confusion was in fact organized by the orders or suggestions the chief electoral officer received from some ministers, either the Minister of Transport or another one, to the effect that he should prepare electoral maps which would be sent to provincial commissioners so that the provinces or the provincial commissions could take those maps submitted by the chief electoral officer, as a basis for their studies to reform or proceed to the redistribution of electoral boundaries in our provinces.

On that score, what I am interested in is certainly the redistribution of electoral boundaries in the province of Quebec, since I come from that province. Some others will have representations to make concerning the province of Ontario and other Canadian provinces, which will object to the fact that those electoral maps prepared by the chief electoral officer should be submitted to the attention of provincial commissions.

That is why I said a week ago that the Minister of Transport, as well as the chief electoral officer, should never have suggested that we go to the main office here in Ottawa to see the plans or drawings prepared by the chief electoral officer to give us an idea how the ridings should be organized or reorganized within the provinces.

When I called personally at the office of the chief electoral officer, I saw the plans, drawings and maps. They certainly do not suit me, nor do they suit the hon. member for Pontiac-Témiscamingue (Mr. Martineau) or the hon. member for Chapleau (Mr. Laprise).

The chief electoral officer was telling us—and me, in particular—that for no consideration at all would be alter the plans he was then spreading out before me, and that the whole question would be submitted to the provincial commission which would decide whether or not changes were to be made.

Now, the hon. member for Pontiac-Témiscamingue requests that these documents be submitted to the house. If they are to serve as a basis for the Canadian provinces to proceed with the establishment of new electoral boundaries, as far as the province of Quebec is concerned, at least, I maintain that these maps must be submitted to parliament as well as to the attention of all Canadian hon. members assembled here in the federal house of parliament.

However, if those maps are not to be used for the establishment of new electoral boundaries in the provinces, the government should order the chief electoral officer to stop preparing maps and making plans for redistribution, since he himself admits that he knows nothing about Quebec.

Hon. Paul Martineau (Pontiac-Témiscamingue): Would the hon. member for Villeneuve (Mr. Caouette) allow me a question?

Mr. Caouette: With pleasure.

Mr. Martineau: Could he tell us what would be the purpose of those maps, in his opinion, if they were not used for the establishment of new electoral boundaries. If they were not to serve that purpose, does he feel they should still be drawn up?

Mr. Caouette: In reply to my good friend from Pontiac-Témiscamingue I will say that existing maps should be destroyed.

If those documents are not to be submitted to the House of Commons, they should be done away with. It is not up to the chief electoral officer to decide the basis on which the commission for the province of Quebec should work, or, for that matter, the commission for the province of Ontario or that for Manitoba, the province of my hon. friend from Winnipeg North Centre (Mr. Knowles).

The provinces themselves look after their electoral readjustment.

Mr. Speaker, I should like to draw your attention to the fact that when I called on the chief electoral officer, Mr. Castonguay, he showed me electoral maps. Taking into account—

Mr. Choquette: Were you invited?

Mr. Caouette: I went at his own invitation, for the information of my hon. friend from Lotbinière. As a matter of fact, the Minister of Transport was also invited, as were members of each political party, to go and see, on the spot, the sketches prepared by the chief electoral officer.

Mr. Speaker, when I got there, I was told there was one map based on a 10 per cent tolerance, another based on a 20 per cent tolerance and, finally, a third one based on a 25 per cent tolerance.

While looking at the most important part of the country, that which, naturally, includes Rouyn-Noranda and the constituency of Villeneuve, I discovered that—

Mr. Choquette: Our part of the country is also important.

Mr. Caouette: —I discovered that we have in that area—a beautiful area—a region which is right smack in the middle—

[*Text*]

Mr. Knowles: You mean the most important part of Quebec.

[*Translation*]

Mr. Caouette: I believe my hon. friend from Winnipeg North Centre was there on one occasion, and he realized that it was the most beautiful area of the province of Quebec.

The cities of Rouyn and Noranda are twin cities. Now, according to the work done by the chief electoral officer—fortunately he is not the chief officer for Canada, but merely the chief electoral officer—Rouyn and Noranda are to be separated. Noranda is to be added to the Val d'Or and Amos area, and Rouyn, which is thoroughly "creditiste"—

with all due respect for my friend from Lotbinière—is to be added to the Pontiac-Témiscamingue constituency.

While I was pointing out—

Mr. Choquette: That is why the hon. member for Pontiac-Témiscamingue is afraid.

Mr. Caouette: Mr. Speaker, I hear my hon. friend from Lotbinière say that is the reason why the hon. member for Pontiac-Témiscamingue is afraid. He is not afraid, but from the geographical point of view, that redistribution would be meaningless and totally irrational.

At present, we have a constituency including the whole mining area in the northwest of Quebec. We have a riding that is fundamentally agricultural: Pontiac-Témiscamingue. We have, to the north, the constituency of Chapleau which is also an agricultural, forest and mining constituency.

Now, when I met the chief electoral officer, I was introduced to the young man who had prepared the exercises, and both of them told me that those exercises would not be used to determine new standards or the new boundaries of the ridings in the provinces. However, they admitted to me that those exercises would be used as a basis by the provincial commission and that they will be used as criteria to determine in the future, in the province of Quebec, federal constituencies included, comprised and recognized in the province of Quebec.

When the Minister of Transport (Mr. Pickersgill) said the other day that to produce those exercises or electoral maps to the house would create confusion, he was quite right. On the other hand, why did the minister extend to us a public invitation to go and meet the chief electoral officer to find out on the spot what progress had been made?

The chief electoral officer told me candidly, honestly and humbly that he knows neither the province of Quebec nor Ontario nor any other province in Canada. If we are going to set up ten commissions in Canada, if we are going to have one in the province of Quebec —I contend that it is the responsibility of this commission in the province of Quebec to decide what will the new ridings be in the future and to decide the boundaries of those ridings, and when this commission will hear the people who have objections in respect to such and such a map, or such and such a percentage of population—if we take for granted that the act provides that the average or quota, as we say usually, will be between 70,000 and 71,000 people per constituency—well, I contend that it will rest with us then to go before the provincial commission, and I am of the opinion that no member of parliament, no organization, no party has the right or the obligation to go to the chief electoral officer to see the basic work he has done.

We have been told that this work should not influence the provincial commissions, but we know that it will influence them very much and that these maps will be taken into account.

In my opinion, there is only one solution, which I mentioned a while ago, and it is this: If the chief electoral officer, with his maps, should not influence the provincial commissions, then he should burn them, and get rid of them, and we should hear no more about them. Above all, we should no longer be invited to see those maps, because it is an insult to all federal members of parliament. If on the other hand, those maps are to be used as a basis for future electoral readjustments, or the readjustment of future federal ridings, throughout Canada, then, the hon. member for Pontiac-Témiscamingue (Mr. Martineau) was justified when he asked that these documents be produced in the house in order that each member may examine them.

I am convinced that every member will agree with me that the chief electoral officer does not have to take part in the redistribution of electoral districts. If it is refused to have these documents destroyed, then let them be produced in the house so that every member may know what is going on in his riding. I shall appreciate then the impression that the government strives so much to give us, namely that it shows a democratic spirit, that it allows freedom to every individual and also to every member of parliament, an undeniable freedom to every province of Canada and, under the circumstances, as far as we are concerned, that the commission has complete and unrestricted authority to decide what electoral districts must be represented in the house. At that time—

[*Text*]

Mr. Knowles: Will the hon. member permit a question?

Mr. Caouette: Certainly, with pleasure.

Mr. Knowles: Does the hon. member still agree or does he not still agree to the proposition that Mr. Castonguay is to be a member of each of the provincial commissions and, therefore, is he not simply carrying out the duties already assigned to him by statute to be doing some preliminary work on this matter? In other words, does the hon. member feel this rather strong criticism he is making of Mr. Castonguay is justified?

[*Translation*]

Mr. Caouette: Mr. Speaker, I admit that my criticism is rather sharp but it is not directed to Mr. Castonguay and his organization, nor to those who asked Mr. Castonguay to prepare the plans.

Mr. Castonguay told me, in his office, that he does not know the province of Quebec and that that sketch or sketches have been prepared in an arbitrary fashion—I was told even more than that—I was told that, in the province of Quebec, there were four classes of ridings: urban ridings, rural-urban ridings, rural ridings plus two northern ridings, those of Saguenay and Chapleau. Mr. Castonguay himself told me that. In addition, Mr. Castonguay told me: "All our calculation is based on the science of mathematics, we stick to mathematics; the same quota from 70,000 to 71,000 people per riding will be applied."

But, with regard to urban and rural ridings—

Mr. Choquette: Mr. Speaker, may I draw your attention—

Mr. Deputy Speaker: Before the hon. member for Lotbinière can raise a point of order, I must advise the hon. member for Villeneuve that his time has expired and also that I took into account the fact that he was interrupted. I gave him two minutes more to make up for that interruption.

Mr. Caouette: May I reply to my good friend, the hon. member from Winnipeg North Centre (Mr. Knowles)?

Mr. Deputy Speaker: Does the hon. member get the unanimous consent of the house?

Some hon. Members: Agreed.

Mr. Caouette: Mr. Speaker, I am truly grateful to my hon. friend from Lotbinière. I know that, eventually, he will feel like joining us.

Mr. Choquette: Mr. Speaker, he did not get the unanimous consent of the house; therefore, his time has expired.

Mr. Caouette: Mr. Speaker, in reply—

[*Text*]

Mr. Deputy Speaker: Does the hon. member have the unanimous consent of the house to continue after his time has expired?

Some hon. Members: Agreed.

[*Translation*]

Mr. Caouette: Mr. Speaker, I thank once again my hon. friend from Lotbinière, but to answer the hon. member for Winnipeg North Centre, I will say that when the chief electoral officer explained to me the way he intended to proceed and suggested that there would be four categories of counties in the province of Quebec, I was told on the same occasion that this whole question was resting upon mathematical and scientific factors, and that the population would amount to 66,000 for each county. At a given moment, when it came to the northern counties, those of Saguenay and Chapleau, the mathematical element disappeared completely and was replaced by purely geographical factors.

The situation had changed completely. That is why I say to the hon. member for Winnipeg North Centre that even if the representation commissioner sits on all provincial commissions throughout Canada, I do not think it is wise to entrust him with the establishment of the new electoral boundaries.

I would be in favour of leaving that matter to the provincial commission in Manitoba, Saskatchewan, British Columbia, Quebec and in all the other provinces even if the commissions then had to rely on the advice of Mr. Castonguay and his staff of experts in mathematics and geography. However, I feel that far from submitting to the provincial commissions the maps he now has, Mr. Castonguay should throw them away. In other words, if he does present his maps, then I agree with the hon. member for Pontiac-Témiscamingue and I support his motion calling for the tabling of the documents in the house.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would like to support the motion of my colleague from Pontiac-Témiscamingue (Mr. Martineau) and I would like also to say that in the main we support the ideas expressed by the hon. member for Villeneuve (Mr. Caouette).

[*Text*]

Mr. Speaker, I have had an opportunity to examine the remarks made on Thursday April 30 by the Minister of Transport (Mr. Pickersgill) and I can only call his argument somewhat specious in that when he says, as recorded at page 2775 of *Hansard* for that day—

> —what the motion is asking for is something which has no relationship whatsoever, except as an exercise in map drawing, to what will eventually emerge, if there is any disposition on the part of this parliament to deal with this problem and to deal with it in any reasonable time—

—he indicates that these are merely an exercise in map drawing. If that is so, then I would suggest that the representation commissioner is derelict in his duties because, by statute, he is directed to produce maps. These are not an exercise in map drawing. He is directed by statute to do this, and therefore

there must be a purpose. No direction of this kind by statute can be deemed to be a nullity or a frivolity, and therefore these maps do have a definite purpose.

Since we are asked under another bill to consider what extent of tolerance shall be included in the statute, surely it is pertinent to the deliberations of the members of this house to see what will be the results of the application of a number of tolerances? There is no one better qualified or equipped to take the electoral map of Canada and divide it up into the various ridings on the bases of certain tolerances. Therefore these should become the knowledge of members of the house who, on the basis of an examination of these various maps, will determine what shall be the better tolerance to include in our new representation act. Otherwise I would submit to hon. members that we are being asked to vote on something that will be entirely theoretical.

On whose word shall we rely—on the estimation of the Minister of Transport, or as a matter of fact on that of any member of the house—that a tolerance of 20 per cent will have such and such a result? Unless the minister has seen the maps that have been drawn on the basis of a 20 per cent tolerance, then frankly he is talking off the top of his head and his opinion does not warrant a great deal of attention.

What I find rather difficult to understand on the part of the government in resisting this motion is that we, or a number of us, have been invited personally to go and see the maps. I quite admit that the government is not trying to hide anything here. After all, members from all parties have seen some or all of the maps.

Mr. Douglas: I have not seen any.

Mr. Lambert: The hon. member for Burnaby-Coquitlam (Mr. Douglas) says he has not seen any. Neither have I, but it is not because there has not been the opportunity, or at least the invitation.

On the basis that we are trying an experiment or a departure in the manner of drawing up the electoral map of the country, surely to goodness there would be no harm done in publishing the maps on the bases of 10 per cent, 20 per cent, 25 per cent or 30 per cent tolerances, or whatever they may be. After all, the electorate is interested. I simply cannot accept the argument of the Minister of Transport, as recorded at page 2776 of *Hansard* that constituents could not care less what riding they happen to be in or who is their representative. At least this is the interpretation I place on his words, and I do not know where the minister gets that attitude. It is quite untenable, and I would say frankly, almost insufferable.

Certainly the people in my part of the country are interested in the proposed redistribution. They are vitally interested in what may be the redistribution of these seats.

If we look at what will be the ultimate act —and here, Mr. Speaker, I must crave your indulgence so that I will not stray too much from the interpretation of this type of motion that I have placed upon it myself—under the representation act there will be little or no opportunity afforded to the public, unless it is widely amended, to see what the representation is going to be. Once the representation commissioners have gone to work they will compile a complete report, and once that report has been compiled it will be most difficult for anyone to persuade the commissioners that they have been in error and that they must make a change. Frankly, if the commissioners are not to use these maps —and we know that by virtue of the other act they are entitled to hire staff and technicians to assist them—then the direction to the representation commissioner is a nullity. Why would he prepare maps if the commissioners are not to use them in the end? It would just be an exercise in duplication. I would suggest on all counts, now that the representation commissioner has prepared these maps on the basis of these respective tolerances, that hon. members of this house who, after all, are not second class citizens, are entitled to see how the electoral map would be affected by these various tolerances, if only to assist them in their conclusions as to what should be included in the Representation Act. It would certainly be of great interest to the citizens of this country to see how the new act would affect the electoral map of Canada, and surely they have the right to know as soon as possible what the possibilities are.

I do not want to anticipate argument on the act itself but I can indicate, now, that the opportunities for revision provided by that act are extremely limited; in fact, they are almost nil. It is not good enough that this information should be limited, as it is now, to members of the house who can walk down the street and have a good look. If these maps were tabled it would be common knowledge how the electoral map would be affected and I think it is essential that this be done. Regardless of the basis used by the representation commissioner used in drawing up these maps—and I do not know what staff he has—I would certainly be much more careful in my re-examination of the drawing up of the electoral map if I came to the conclusion that his staff worked on some purely mechanical

formula and disregarded the other factors which we on all sides know must apply in the determination of new electoral boundaries.

On this basis I would urge the government to withdraw its opposition to this motion. After all, the Minister of Transport has indicated that this is not a motion of confidence. We believe we can convince hon. members opposite of the strength of our case. They know there is no whip lashing them on, and if a vote were to come they could support this motion.

Hon. Gordon Churchill (Winnipeg South Centre): As I see it, this motion would never have been placed on the order paper and a request made for the production of the maps if the situation with regard to the work of the representation commissioner had been handled somewhat differently.

The Minister of Transport (Mr. Pickersgill), who told us on another occasion that he had been working on this job for a whole year, perhaps misled the representation commissioner into performing certain exercises which may now turn out to have been completely unnecessary. As was said by the hon. member who preceded me, the Minister of Transport cannot expect the house to believe what he said on April 30, namely that these were just exercises which the commissioner was going through. I think the whole approach to this matter has been entirely wrong. The government has disclosed to us that maps have been drawn—I prefer to call them maps rather than exercises or tracings. Incidentally, I have not seen the version for the province of Manitoba so I do not know how the constituency I happen to represent will be affected. But I think the approach has been wrong. I think the commissioner should have started from the present constituency boundaries and, in preparation for dealing with the various commissions, considered in what respect those boundaries need to be changed instead of beginning the other way round with a mathematical exercise dealing with population and spreading out new boundaries all over the provinces. The rumours we have heard are that 75 or 80 per cent of the constituency boundaries are likely to be changed. I think it should be the other way round, and that constituency boundaries should remain as they are, unless there is some serious misrepresentation of the people taking place.

Then, I cannot help but wonder why the original exercise in drawing up these maps was based on a 10 per cent tolerance. Where did that figure come from? The bill before the house has a 20 per cent tolerance written into it; I know that the matter has not yet been settled by the house. But who gave authority to start from the basis of a 10 per cent tolerance or a 5 per cent tolerance? If the representation commissioner thought fit to do these exercises, why did he not begin with a 20 per cent tolerance? Why did he not try his hand with the suggestion which came from Her Majesty's Loyal Opposition of 33⅓ per cent tolerance? Why did he not use, as was suggested by the hon. member for Northumberland (Miss Jewett), a 25 per cent tolerance? Instead, the figure of 10 per cent was selected as a starting point. This figure was mentioned in the house during an interruption when the hon. member for Winnipeg North Centre (Mr. Knowles) was speaking, and, advocating as he was strict representation by population, he said: Ten per cent tolerance is what we favour.

Why did the commissioner select this 10 per cent tolerance as the figure on which he would work first? This is the type of thing which creates suspicion in the minds of members of this house and this is why the present motion is now before us. Who has been tinkering with this matter of redistribution? Why should we not have available for everybody to see these exercises in the use of the tolerance, so that we can make a sensible decision as to what should be written into the act and as to the instructions which this house should give for the guidance of the commissioners? I think it is of the greatest importance that the commissioners should find out from parliament what they are to do in this matter of redistribution. Unless the house expresses itself in directions and through the comments which are made here and which, I hope, the various commissions will look at; unless attention is paid to the act and these comments, the commissions might very easily be led astray and end up with redistribution maps which are contrary to the general will of parliament.

Why should we be kept in the dark with regard to this particular matter? How much better it would have been if the representation commissioner, taking the bill as it stands at the moment before the house with a 20 per cent tolerance, had drawn a certain number of adjustments based on that tolerance for the guidance of parliament. I think that would have satisfied the members of this house. Then we would be able to examine the bill before us to determine what is the fair and proper thing to do. Then we would be able to talk, not theoretically but on a practical basis with regard to the effect of redistribution. Then we would be able to see some of these great areas that are going to be affected in the northern parts of all the provinces, and the populations that are in those areas, and make a decision as to whether the tolerance should be larger or smaller, or whether we should take into consideration

the point which I raised in the earlier debate on the bill with regard to some allowance for area representation.

Without the actual maps it is difficult for the house to determine what to do. I have not the faintest notion as to how the maps will affect the province of Manitoba; I have not seen the maps. I do not know whether it will be a fair and reasonable redistribution of the population factor there. I do know this, that people in their provincial elections are accustomed to variations between the large areas in the rural sections and the more closely congested, city areas. I have heard little complaint over the years with regard to that. There was considerable complaint a few years ago in Manitoba over the lack of representation for people living in the city of Winnipeg, but an adjustment has been made along that line and I have not heard much about it since. The consideration of fair play is in the minds of most Canadians in this country, and people who live in the congested areas within a city understand that they are not too seriously affected if the total population of their constituency is larger than that in these great, extensive northern areas.

But let us have the maps in front of us so we can see what is the effect, because if the maps are going to be based on a 10 per cent tolerance I think almost every constituency in Canada is going to be altered. I would much prefer to work the other way around and show cause why any constituency should have its boundaries altered.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to take the opportunity of speaking on this resolution introduced by the hon. member for Pontiac-Témiscamingue (Mr. Martineau). I represent a constituency in a province that is supposed to lose four seats, and it is very important that not only hon. members who represent constituencies in Saskatchewan but also the people of Saskatchewan should know what is involved in this new redistribution. Unless we have the maps and unless we know what is involved in them, hon. members and the people of Saskatchewan will be kept in the dark. For instance, we know from the statistics that the four maritime provinces have a population of approximately 1,897,425 people and they are represented by 33 members; in other words, each member represents about 57,497 persons. The two prairie provinces which are supposed to lose members are Saskatchewan and Manitoba. These two provinces together are supposed to lose five members; but we have a population of 1,846,867, represented by 31 members, which is approximately 59,576 persons per member. As I have said, we are supposed to lose five members in the provinces of Manitoba and Saskatchewan, while at the same time the maritimes are only supposed to lose one. I am not saying that the maritimes should lose more than one member, because this is a different story altogether; they have the senatorial floor and other guarantees. For example, Newfoundland has the guarantee that it cannot go below a representation of seven members.

If we in Manitoba and Saskatchewan lose another five members, the representation by one member will amount to over 71,000 people. This, in an area such as Manitoba and Saskatchewan, will mean it will be almost impossible for one member to properly represent this number of people. We are an agricultural area and are considered to be agricultural provinces. I say, Mr. Speaker, that if an exception was made for the maritime provinces with regard to the senatorial floor, and if there was an exception made for Newfoundland guaranteeing them not less than seven members, why in this case could there not be an exception made in the case of these two prairie provinces which will lose five members out of a representation of 31?

I think we should have these maps so we may see what has been done, particularly when the maps have already been drawn. Unless we are able to study them, these two prairie provinces will not know exactly what is involved. I should like to see the adoption of the resolution of the hon. member which asks that the maps be presented to the house for scrutiny. If these maps had not been drawn by the representation commissioner, that would be a different story; perhaps we would not have asked for them. But since they have been drawn and since some hon. members have seen them—I have not seen them and as far as I am concerned perhaps I do not even want to see them—we should have the opportunity of studying them so we know what is involved. I simply cannot understand why there is opposition to having these maps laid on the table for every member to see. I know that at the last redistribution in 1952 there was a provision in respect of Saskatchewan that this province would not lose more than 15 per cent of its seated members. If I am not mistaken, at that time we lost two seats. If we are to lose over 25 per cent this time, in my opinion this is unjust and unfair. I believe these maps should be available to hon. members for study.

As I said before, I do not think that this is fair. These provinces should receive equal treatment. I think we should work to see that this is done, because it would be unfair if the people in Manitoba and Saskatchewan were to lose over 25 per cent of their representation through this redistribution.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, there seems to me to be some misunderstanding regarding what has been drawn on these maps. Some hon. members have contended that very large maps have been drawn. I do not mind admitting that I am one of the members who have seen some of the mathematical exercises which have been drawn, including census districts, which would in fact meet the tolerances set out in the bill before us. But they are not maps; they are not recommendations; they are not even suggestions that these are the boundaries which should be set up. They are simply, as I said, an exercise, some of them at different tolerance levels.

Unless we were to request that all of these exercises be produced there would be a complete misconception of where these constituency boundaries may eventually lie. If some kind of map is published with a 10 per cent tolerance and another map published with a 20 per cent tolerance—and even the tolerance has not yet been settled—this will lead to a great deal of misunderstanding. Therefore I do not see any value in having these mathematical exercises tabled in this house or in having them made public.

Furthermore, any member of this house can, as far as I am aware, go down to the representation commissioner's office and see where the lines are drawn on these mathematical exercises. There is no problem in seeing them. I know that some of them appear to be acceptable to me, whereas others do not appear to be acceptable to me; but if we are going to retain the idea that the electoral boundaries are going to be drawn by an independent commission, I think we must understand that none of these so-called maps are either recommendations or suggestions. I think there would be a lot of confusion in certain areas if they were produced. We would lose the whole concept of the placing of redistribution into the hands of an independent body and would instead give every locality in Canada the impression that perhaps this is the way a given map was going to be drawn, with the result that some people would object.

There will certainly be problems in moving boundaries. We went through this sort of thing in Alberta a few years ago when we tried to make the hospital districts, the municipal districts and the school districts have coterminus boundaries. Where I live there were a few sections of land situated in three different local districts. These sections were in Brooks hospital district, the Medicine Hat school division, and in a municipal district known as a special area which had its office in Hanna, to the north. We discovered that the people who wanted to retain their traditional community of interest put more emphasis on hospitalization. Others were more interested in school affairs and wanted to retain their communication with Medicine Hat. Then others were more interested in municipal administration and wanted to retain their interest in Hanna.

The argument which was put up by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) to the effect that bringing these maps before the house would not make any difference to the number of seats which would be lost by any one province I do not think is valid, because the tolerance has yet to be settled under clause 13 of the bill. Furthermore, if we are to retain the number of seats we now have in the house and merely divide them by the total population, then Saskatchewan, Manitoba, or any other province will have assigned to them a certain number of seats. Where the boundaries are drawn after that certain number of seats for each province has been decided will not be either helped or hindered by the publication of these mathematical exercises. Therefore, as I say, there will be a great deal of confusion if one of these exercises was published but not the others.

I think we should also stick to the principle enunciated and endorsed by the house in the first instance, namely that we are going to take the matter of redistribution out of parliament and put it in the hands of an independent commission. If we get embroiled in the question whether boundaries are going to be moved a little one way or another, I think the discussion will deteriorate into an interest in local affairs and we will lose the over-all concept which I believe is a good one. May I call it six o'clock?

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty pursuant to provisional standing order 39A to inform the house that the questions to be raised at ten o'clock this day are as follows:

[*Translation*]

The hon. member for Chapleau concerning the possibility of diverting the James bay waters into the great lakes;

[*Text*]

The hon. member for Mackenzie concerning the increase in handling charges for grain due to low water levels of the great lakes;

[*Translation*]

The hon. member for Joliette-L'Assomption-Montcalm concerning the canalization of the Richelieu river.

[*Text*]

The house will now resume the business interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF AGRICULTURE

Administration—

1. Departmental administration including the national co-ordinating committee on agricultural services, contributions to commonwealth agricultural bureaux and a contribution to the agricultural economics research council in an amount equal to the contributions of the provinces but not exceeding $50,000, $3,368,900.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order. When the committee rose at five o'clock the hon. member for Kent (Ont.) was discussing item 1.

Mr. Danforth: Mr. Chairman, when the committee rose at five o'clock I was pointing out that, although the minister had indicated that the net income of farmers was greater in 1963 than in 1962 by some $37 million, most of which can be directly attributed to the extensive sales of grain, only two of Canada's provinces did in fact have an increase in net income over the past 12 months. I was dealing with the western provinces and we find that even in Manitoba the net income of farmers dropped $54 million in the last 12 months.

The figures I have placed on the record are only rounded and not detailed figures, but this is the government whose members went out on the hustings and said that their primary aim with regard to agriculture was to make the economic situation of the eastern farmers the same as that of the western farmers. Everyone believed that meant an increase in income. Today we take a dim view of the fact that western farmers, with the exception of two provinces, are in the same situation as the eastern farmers, with income on a downward trend.

I am one of the many thousands of farmers in Canada who feel that the opportunities for agriculture in the next 20 years will perhaps be greater than ever before in the history of this country. That is why I share the deep concern and uneasiness of farmers from coast to coast over conditions in farming as they actually exist today.

What are some of these conditions, Mr. Chairman? Let us deal with some of them in some detail. What about cattle? Cattle are important from coast to coast. If we look at the record we find that the average price for cattle over the past 12 months has been considerably lower. When the minister was questioned about this in the house he pointed out, and rightly so—we must give him credit—that prices were comparable with those in the United States, and in fact somewhat greater. He also pointed out that the people of Canada today are eating more beef than ever before, and this is also true. But when the United States was considering placing quotas on imports of cattle he was asked what Canada was going to do, and he said they were taking a long look at the situation. They did take a long look at it and while they were taking a long look at conditions in the United States Canada imported from Australia and New Zealand 41,000 cattle. Surely to goodness we must have some definite policy with regard to some of these difficulties in respect of various commodities.

What about hogs? Hogs are also important in the livestock industry. The average price of hogs was lower in the last 12 months. If the hon. member for Essex South has something to say, will he please get on his feet?

Mr. Whelan: I would be more constructive than you.

Mr. Danforth: I will deal with the hon. member for Essex South in a few minutes. I have a few choice ones for him. Not only did the hog producers of Canada not fill the domestic market but there were $12 million worth of pork products imported into Canada last year.

What about dairy products? The minister stated that for the first time the consumption of butter almost equalled the production of butter. This is great news to the dairy industry because it takes off the pressure that has been building up over the years. But the government placed the emphasis on the production of cheese and we now find ourselves with 40 million pounds of cheese in storage, an increase of 10 million pounds over last year. I am not going to deal with dairy policy in any detail because some of my colleagues who are experts in the field propose to do so. I should like to pass on to tobacco.

What is the policy of the government with regard to the great $100 million tobacco industry which finds itself in dire trouble? We have a marketing scheme for tobacco and that marketing scheme is in difficulty. The tobacco industry is in difficulty. As a matter of

fact, the farmers are talking of voluntarily cutting to 55 per cent of production at a time when they should be increasing production. We find that conditions are forcing a decrease in production.

What about fruit and vegetables, one of the greatest industries in Canada? The men in the fruit and vegetable industry are looking with grave concern at the deliberations that are going on in GATT. I was interested to hear the Minister of Agriculture state that he spent a whole day with our negotiators on this very important subject. This is a most important subject because the Prime Minister himself said, in dealing with the negotiations at Geneva, that if we receive some concessions with regard to various products that Canada wishes to export we will have to give some concessions. The farmers of southwestern Ontario remember the last time this government wanted to play Santa Claus in that regard, because the concessions they gave directly affected the fruit and vegetable industry, which is most important to that area. As a matter of fact, their concessions in this regard set back the greenhouse growers and fruit and vegetable industry 20 years, and this was deliberately done by concessions in duty. It is most important that this industry be maintained, and it cannot be maintained if concessions do away with all the protection against imports from other countries.

What about soybeans? Surely the hon. member for Essex South knows what soybeans are, and surely he should be pressing the government to establish a policy with regard to the floor price on soybeans. What about the floor price on soybeans? In the last election members of the government stated it was absolutely necessary that the growers of soybeans and sugar beets should know exactly what the policy of the government was going to be by March, so they could plan their crops. The soybeans and sugar beets are going into the ground in my area, and yet the farmers do not even know what the policy of this government is in respect of them.

Now, Mr. Chairman, the agriculture policy of this country should be the most important policy ever conceived. Today we do not even know if there is a policy. We have never heard of a policy. As a matter of fact, when we speak about the development of the agriculture industry, we find the minister mentioning research. He spoke about the co-operation of the farmers. However, he did not tell this house that last year Canada imported about $635 million worth of food products, half of which could have been produced on the farms of this country. This importation occurred in spite of the 8.5 per cent protection our dollar affords us against these imports.

No wonder the farmers of this country are becoming worried. They begin to wonder what will happen if they lose this 8.5 per cent protection. What will happen to the imports of New Zealand and Australian lamb, beef, butter and so on? What will happen when we lose this protection? What will happen if we lose further tariff protection as the result of these negotiations that are under way? No wonder the farmers are uneasy. They have not had any word about policy from this government.

In a speech made in the west recently the Minister of Agriculture stated the government had not been able to put any agricultural matters on the order paper. In his statement yesterday he corrected that assertion and said he did not mean it. He meant that because of the slowness in getting business through the house he was unable to bring forward any legislation in connection with agricultural policy. I should like now, Mr. Chairman, to refer to an article that appeared in the *Country Guide* dealing with the convention of the Canadian Federation of Agriculture at Charlottetown. The article states that in addressing the convention the federal minister, Hon. Harry Hays, said it was time to take the next big step in the field of farm policy. He recognized this fact, but he indicated that the government planned over the next two years to introduce new provisions in the field of farm credit, crop insurance and a new plan to alleviate the capital cost of machinery. The minister refers to two years, Mr. Chairman, but the time is now. We must have a policy now. How can we plan for the future of Canadian agriculture if we do not know what the policy is going to be.

We are now going into the second year of this government's term of office, and yet not a single piece of legislation, with one exception, has been placed on the order paper. This one piece of legislation dealt with having two ministers of agriculture, one for eastern Canada and one for western Canada. This seems to have been a trial balloon, because the government has not even ascertained what the house thought about it. They have withdrawn it from the order paper. Since then we have not had one single piece of legislation introduced. The government promised the farmers of Quebec an eastern minister of agriculture who would be from Quebec. The government gave them one, but they brought him in by the back door. They had to divide the Department of Agriculture. They talk about the eastern farmer, who is the most trained technician, who has to farm under the most complicated conditions and with the greatest amount of investment. What did they do? They put his problem under the Minister of Forestry.

The farmers of this country have asked for direction and they got two ministers of agriculture. They asked for action in agriculture, and what did they get? They got a split-up in the Department of Agriculture. In referring to the split in agriculture, I should like to say we have one of the greatest departments of agriculture in the world. However, as a result of the actions of this government the senior officials of the Department of Agriculture did not even know what minister they were under for 30 days, and I call this the ultimate in confusion. Knowing all the complicated problems of the eastern farmer, they put those problems under the Minister of Forestry. The farmers asked for legislation, but as yet they have not seen a single piece of legislation brought forward.

After almost 14 months in office you would think that this government, which promised the farmers of this country so much, would be able to bring forward one piece of legislation of a constructive nature. We have been very proud of the fact that this government has carried out the policies laid down by the former government. This has been their policy in agriculture. There has been some moderation, but every time our policy was moderated it was done for one specific purpose only, and that was to reduce the expenditure of the Department of Agriculture regardless of what it did to disrupt the Canadian farmers' ability to earn a livelihood. I never thought I would be in a position to criticize the farm policy of my own party, but I do it to this extent; the farm policy laid down by the previous Conservative government was not the end, it was only the beginning. If the opposition does nothing else during this debate but arouse this government to some action on behalf of the farmers, the debate will have served its purpose and served it well. The activities of this government in regard to agriculture have made Napoleon's retreat from Moscow look like a Sunday school picnic.

Mr. Temple: I should like to speak for a few minutes this evening on the matter of agricultural chemicals, pesticides and insecticides and what seems to be happening in various parts of the world. As a result of the perhaps indiscriminate use of certain of these pesticides and insecticides in the United States, Sweden and Great Britain millions of wildlife in all forms have been destroyed. There are instances where all the young fish, the fry, have not come along and the fish population has been declining.

An intensive survey was made from Maine to Maryland in the United States concerning ducks, blacks and mallards, and the significantly lower mating rate for these birds feeding on lands that have been treated with certain of these insecticides and pesticides was noted. In Great Britain pesticides are reported to be responsible for the failure of the golden eagle to produce its young. In California pheasant eggs taken from pesticide treated land have produced considerably fewer chicks than eggs taken from land not treated. In the state of Maine the landlocked salmon from Sebago lake have contained d.d.t., and this has increased appreciably their mortality rates.

In New York state, the secretary of the interior of the United States, Stuart Udall, has stated that studies have "demonstrated conclusively" that failure of lake trout in lake George to reproduce has been caused by the presence of d.d.t. In New Hampshire again d.d.t. is linked to the high mortality of lake trout fry.

In Illinois the pesticide known as aldrin was used to treat 80,000 acres in an attempt to wipe out Japanese beetles. It wiped them out, but it also wiped out meadowlarks, robins, brown thrushes, starlings, grackles, and ringed necked pheasants, and substantially reduced the number of moles, shrews, cats and muskrats.

In Alabama the pesticide known as dieldrin was used to dust an area, with the result that 15 coveys of quail disappeared and 187 animals of 51 species were found dead in the area. Again, in another area in Illinois, dieldrin was used to wipe out Japanese beetles, and the same thing happened. Many species of wild life have virtually disappeared, and in some cases they have completely disappeared.

In Michigan and certain areas of Wisconsin d.d.t. was used against the Dutch elm tree disease, with the same result. The robin population in one Wisconsin town was reduced by 86 per cent.

This problem is considered so widespread and urgent in Sweden that scientists there have asked for substantial funds to devise a simple method of diagnosis and removal. We are perhaps rather fortunate that this has not happened in Canada to such a large extent, but I would like some assurance from the minister that funds will be made available for research on the question of these pesticides and insecticides.

Mr. Ricard: Mr. Chairman, I am more than pleased to follow the hon. member for Hastings-South because it gives me an opportunity to remind him that some 30 years ago I was in his riding, where I learned something about farming, and also something about English. I spent three years in his riding, and following him tonight brings back

memories of names such as Dempsey, Johnny Babcock, Pecks and many others which I am sure he knows. Having said that I may now turn to my mother language and make a few remarks with regard to agriculture.

[*Translation*]

Mr. Chairman, I do not want to miss this occasion of dealing with the farming industry and to tell the Minister of Agriculture (Mr. Hays) what our farmers at home think of him, of his program and of this government.

Mr. Chairman, it would be no news to you if I said that our eastern farmers, and more particularly those of the riding of St. Hyacinthe-Bagot, are most disappointed and confused, because the federal government seems to have completely forgotten them.

What a difference there is between the speeches of those hon. gentlemen when they were sitting in the opposition and their present actions. When they were in the opposition, and more particularly during the elections of 1962 and 1963, hon. members who are now sitting on the treasury benches stated that they had an answer for every problem and promised that, if their government came into power, it would be paradise on earth, and our farming industry would know an unparalleled prosperity.

Speaking of farming, Mr. Chairman, I want to put officially on record some statements which were made during the 1962 session.

For instance, on October 4, 1962, the hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin), who was for a time a candidate for the position of minister of agriculture for the east, but who was left in the lurch and remained an ordinary member in spite of his ambitions, was always making sweeping statements. For instance, according to page 195 of *Hansard* of that date, he said:

> I shall point out the unconcern of the present government as regards any farming policy, and then I shall mention the solutions, or at least some of the solutions advocated by the Liberal party to meet those problems.

And a little further on, he stated:

> Our farmers are at the mercy of a trust shamefully constituted to exploit them to the fullest.

He was more particularly thinking of the dairy producers, and added:

> As a matter of fact, the farmers from the economic area of Montreal cannot reach the consumers' market of the metropolis without going through some big dairies, which subject our dairy producers to a sort of unilateral contract called "quota".

And still further on, the hon. member repeated:

> It is time our eastern farmers had someone to represent them and look after their interests in the cabinet.

Further on, he said:

> We, Liberals, also propose to change the Crop Insurance Act so as to make it really available to the farmers.
>
> It is not only in the west that crops are subject to weather conditions.

And further on again, he said:

> We will also succeed in securing new markets for our dairy products by financing, after an agreement with the school boards and through the provincial governments, free distribution of milk in all the Canadian schools.

That is what a member of this government had to say when he was on the opposition side. And the member for Beauharnois-Salaberry (Mr. Laniel), in turn, stated, as is recorded on page 2687 of *Hansard* of the House of Commons:

> During the debate on that bill, it was suggested that grain elevators be built along the St. Lawrence river to enable western farmers to sell their feed grain directly to eastern farmers. I hope the Minister of Agriculture will not overlook these suggestions.

The hon. member for Bonaventure (Mr. Béchard) did his bit, saying:

> Let us encourage and let us try, by every advertising means at our disposal, to promote consumption of our dairy products in their various forms.
>
> How many children, for instance, even the most fortunate, do not drink enough milk, when attending school?

And urged the government to distribute milk in schools.

Apparently, Mr. Chairman, the influence which the members of the province of Quebec have in the Liberal government amounts to very little, for we have seen nothing in the present government policy to make us hope that, shortly, the present Minister of Agriculture will implement the suggestion made to him by his colleagues in the province of Quebec.

But you will recall, Mr. Chairman, that it was fashionable at the time to make promises to obtain votes. Then came the election campaign during which these same people invaded more particularly the province of Quebec, but also the province of Ontario, promising the moon.

Mr. Chairman, I have here several copies of various election programs of the Liberal party in which it was said, for instance, that a Liberal government would appoint a separate Minister of Agriculture for eastern Canada. It is well known that such promise was made in order to win votes, especially in the province of Quebec. At the time it was known there was no unity of thinking in the Liberal party, but the promise was made just the same, because it was felt that the votes of the eastern farmers would be obtained if they were promised one of their own would represent them. As soon as the

elections were over, a member residing in Outremont having very little knowledge, I believe, in agriculture, was chosen to be appointed Minister of Forestry; more particularly he will be responsible for administering the ARDA program, which, as is well known, Mr. Chairman, is a joint program which was initiated by the Tories and is specifically administered by the provincial government.

It is merely a wee bit of satisfaction which they sought to provide for a member from the province of Quebec in an attempt to keep the other ones quiet; it was with this mite of satisfaction that the Liberal cabinet hope to answer the purpose.

Mr. Chairman, I can assure you that the farmers of the province of Quebec are keenly disappointed, for they are surely the first ones to feel the adverse effects of a lying and hypocritical campaign which was waged for the sole purpose of garnering votes.

Besides, let me point out that I have had the honour of defeating someone who was being hailed as the coming minister of agriculture for eastern Canada, in Mr. Pearson's cabinet.

It was Mr. Jean-Baptiste Lemoyne who had campaigned for a number of years among members of the Catholic farmers' union, before coming out in the open in the constituency of St. Hyacinthe-Bagot, where farmers settled his case by defeating him with a 3,600 vote majority in the very first year of the appearance of the Social Credit phenomenon.

The other day, on hearing the great statement of the hon. Minister of Agriculture, a very genial man, I recalled the days of my childhood; and I think you must have had the same impression. Back home we used to have two auctioneers. Auctioneers are very genial and persuasive people. I remember, in particular, Pit Leclerc, who was an auctioneer at St. Guillaume, and also old Charles Arpin. Just like the hon. Minister of Agriculture, those two auctioneers could sell a piano to a man who had wanted to buy a boat.

It seems to me that in the way he deals with the farm problem the Minister of Agriculture would like to use the same system as auctioneers to lead the farmers to believe he is giving them something, when in fact he does absolutely nothing for the farming class.

A few days ago, Mr. Chairman, in introducing his estimates the Minister of Agriculture depicted a most enthusiastic and alluring picture of agriculture and especially of eastern Canada farming. According to him, everything was fine, dairy farmers were making more money than ever before.

But if you take a good look at the facts, you will realize, for instance, that in the province of Quebec the farmers' income, for the year 1963 alone, was $12 million less than during the years the Conservative government was in office.

If we take a closer look at the prospects concerning the farmers, we see, according to a pamphlet entitled "Farm prospects in Canada—Spring 1964", a picture which is quite different from the one painted by the minister. I will not go as far as saying that he knowingly misrepresented the facts or misled the house, but I sincerely think that he is letting himself be carried away by his enthusiasm. Undoubtedly, because of his lack of knowledge of the situation, he gave information completely contrary to the facts.

According to the pamphlet I have in hand, you read, for instance, under the heading of "eggs and chicken":

> A larger production at lower prices is expected this spring and this summer, in comparison with last spring and last summer.

Those are the actual facts. Yet, the minister said that eggs commanded a higher price than before. But the facts put on record by farming experts say absolutely the contrary.

Further on it is said:

> In February the average price paid to producers in Toronto for class A large was 35.6 cents per dozen, as compared to 41 cents in February 1963.

In February 1963, a Conservative government was in office. I feel that the minister, before making his statements, should consider the facts and reflect on what he is going to say.

As far as chickens are concerned, again according to this pamphlet—

> An increase in the number of barbecue chickens and a decrease in prices can be expected in spring or at the beginning of summer as compared to 1963.

Instead of improving, the situation is worsening. Here again, I feel it is my duty, since the farmers in my riding entrusted me with this responsibility, to tell the Minister of Agriculture to check the facts carefully before making statements which tend to mislead the people.

As far as heavy turkeys are concerned, it is said that:

> In February, the average price paid to producers in London was 18.5 cents a pound, that is 1 cent less than last year.

Everything is fine. Prices are going down all the time, but we believe the Minister of Agriculture who says that everything is fine. Look at the facts: prices are going down, but the minister says that everything is all right.

As for the price of pork, here is what the pamphlet I have here says:

> Pork prices have been $2 or $3 lower per 100 pounds as compared to last year—Prices will go

up during the summer but they will not be as high as last year.

Here again, we have evidence that prices are going down. And the pamphlet goes on to say:

The national average price for class A pork was $25.48 at the beginning of March as compared to $26.77 in January and February.

Prices are going down, but everything is all right; the Minister of Agriculture tells us that everything is fine.

Now, here is what I read for sheep and lamb:

Following the small seasonal arrivals of lamb this spring, prices should increase until July, but will reach a level $2 less per 100 pounds as compared to those of last year.

Last year prices reflected the policy of a Conservative government.

About cattle:

Feeder steer exports have gone down to about 35 per cent of those of last year, but they should increase slightly next spring and summer.

In eastern Canada, veal calf sales have increased by 6 per cent and the very large seasonal arrivals should keep up until the end of May. Arrivals decreased a bit in the west and little change is expected. Prices will go down until June, but probably not more than $2 per cwt. lower than the price of $31.60 received on March 14.

There is good news for you. The farmers will merely lose $2 per hundredweight on their cattle.

Now, if you wish, Mr. Chairman, let us have a very quick look at the Conservative program at the time we were in office.

The minister would probably be interested to know that, in my constituency of St. Hyacinthe-Bagot alone, because they elected a Conservative government in 1957 and brought it back in office in 1958, the farmers received, through the 25 cent subsidy per 100 pounds of milk, the sum of $1,516,221. With respect to the 12 cent consumer subsidy paid to dairy factories in my constituency, the Conservative government paid an amount of $867,246. In addition, it paid $306,536 and some odd cents in subsidies to sugar beet growers. Those amounts total about $2,690,000.

Therefore, looking at those figures, one finds that farmers in my constituency lost more than $2.5 million by electing a Liberal government in 1963.

I do not exaggerate, Mr. Chairman, when I say that the farmers of my riding deeply regret that the Conservative party was defeated in 1963.

Under the Conservative government, what was the net income per farm in the province of Quebec compared with what it was in 1954?

For 1954, the income was $1,671 and, in 1961, it reached $1,946 under a Conservative government.

When the gentlemen opposite claim that we did nothing for farmers I ask them to consider the facts and also to imitate us. If they adopt the policy which we followed when we were in power the farmers' lot will improve.

Now, what was the value of the sales of farm properties in the province of Quebec for 1954, 1955 and 1961? It increased from $11,166 million to $18,606 million under a Conservative government.

I would have many other facts to point out to the house, Mr. Chairman, but as other members wish to speak this evening, I will restrict myself and touch on only a few matters which I wanted to discuss.

After having heard the Minister of Agriculture on several occasions say and repeat that farmers had obtained more money than previously for their milk since he became Minister of Agriculture, I take the liberty of putting on the record figures given by the dominion bureau of statistics.

As for the price of milk, in the province of Quebec, for the years 1953 to 1963: in August 1953, the price of milk varied from $2.34 to $2.56. When we came to power in 1957, the price of milk used to make milk powder, ranged from $2.42 to $2.62 and under the Conservative government in 1962 it went up from $2.75 to $3 per hundredweight.

As for the price of milk for cheese production, it went from $2.45 to $2.76 for 100 lbs. in 1956, to $2.85 to $3.05 in 1962.

These official figures tell eloquently what the Conservative party did while it had the responsibilities of government. I would ask the Minister of Agriculture to take those facts into account.

Now, just a few words, Mr. Chairman, to tell the house that the present policy followed by the Minister of Agriculture, as far as dairy products are concerned, has certainly been detrimental to the farm people who, as usual, are going to pay the costs.

It will be remembered that last year when he announced his new policy a few days prior to May 1, the minister said this new policy would result in a saving of $6 million per year. This year, when he announced his new policy, he said that it would result in a further saving of $3.5 million per year. This makes a total amount of close to $10 million, more exactly a saving of $9.5 million at the expense of farmers.

I would ask the minister to explain how he can save $9.5 million at the expense of the farming class, while claiming at the same time to protect their best interests.

I should like to deal in more detail with this policy which I consider disastrous for the farmers. It must be noted that the price of a pound of butter fat has dropped from 14½ cents to 13.3 cents, which will surely result in a loss for farmers.

The 30 cents premium for milk used in the manufacture of cheddar is also removed, being replaced by a payment of 3.6 cents a pound for Canadian cheddar of first quality. This can only cause serious disadvantages to the farming classes.

What will happen, for instance, to farmers who make every effort to produce a prime quality product but are unable to produce cheese of premium quality owing to dirty milk cans or unsatisfactory handling?

You realize that the farmer while offering a quality product will be penalized for an error of which he is innocent.

It is especially unfair for the dairy producers in my riding, because all of them really try to produce a better quality product.

I am of the opinion that the minister should revise his policy so as not to subject the farmers to an unjust treatment which might befall them on account of this new policy.

I ask the minister what would happen if a cheese maker ventured not to hand down to his producers the equivalent of 3.6 cents a pound the government pays.

Would the government take some disciplinary measures so that the farmers may not be deprived of their due or would the whole question be at the discretion of the manufacturer? I feel that this policy—like all the others which the government has put forward since it has been in power—was badly conceived and does not show any desire to act in the best interests of farmers. It should be revised and thought out again to render justice to our farmers.

The Deputy Chairman: Order. I regret to interrupt the hon. member but his time has expired.

Mr. Laverdière: Mr. Chairman, I must commend the previous speaker, the hon. member for St. Hyacinthe-Bagot (Mr. Ricard), for the interest he has just shown for the farmers of eastern Canada.

I commend him for this interest, because we now need every person of goodwill in order to provide the farmers of eastern Canada, and more particularly those of the province of Quebec, with the income to which they are entitled.

At this stage of the debate on the estimates of the Department of Agriculture, I would like to make a few remarks concerning the economic situation of farmers in this country, and particularly concerning the deplorable situation which faces the farmers of eastern Canada.

As a matter of fact, the farm people in eastern Canada are clearly the most neglected members of the working class. For a very large number of eastern farmers, if not most of them, the situation is worse than for the unemployed who get unemployment insurance benefits, because those farmers who work at least 15 hours a day, get an income which is sometimes lower than the benefits paid to people out of work.

In the light of that situation, in view of the almost exasperating slowness to introduce legislation to help those farmers, and in particular those in the riding of Bellechasse, who are among the most neglected, as I will prove later on, it is my duty to draw the attention of the house to the need for closer co-operation by all hon. members to alleviate such obvious human misery.

I should like first of all, Mr. Chairman, to give a brief outline of the agricultural situation in my riding on the basis of the 1961 census. It will be noted that the situation has worsened instead of improving since then.

There are in the riding of Bellechasse 2,002 farms, 1,373 of which are considered as commercial farms, that is farms with a gross agricultural income of at least $1,200, which means that 629 farms have a gross income of less than $1,200. In this latter group, however, 156 farms should at least provide a sufficient income to the farmer since, for the 1,373 commercial farms, the gross income amounts as follows: Three of these yield a gross income of more than $25,000; 16 only show an income of $15,000 to $25,000; there are 58 with an income between $10,000 and $15,000; 268 yield an income of $5,000 to $10,000; 186 have an income of $3,750 to $5,000; 289 show an income of $2,500 to $3,570. But most of them, that is 553, have a yearly income of $1,200 to $2,500.

Mr. Chairman, we must come to the conclusion that 42 per cent of the farmers in my riding have a yearly income of less than $2,500. These are farms considered as marginal since obviously such an income is far from being sufficient to cover the cost of administering the farm, paying school and municipal taxes, purchasing seeds, maintaining buildings and farm machinery, purchasing equipment, etc. and providing for the essential needs of the family, including the education of the children, a point which concerns me more particularly.

Mr. Chairman, I am proud that there should be, in the riding of Bellechasse as in the rest of the province, an elite of farmers, people who are fairly well off because many of them settled on the better farms and had the technical and agricultural know-how which enabled them to adapt themselves faster to the development of that industry.

When one speaks of marginal farms in Canada, one immediately thinks of farmland in the maritime provinces. I should like to point out that approximately 38 per cent of

the farmers in those provinces have a gross income of less than $2,500 while, as I said, 42 per cent of the farmers in my riding are in a similar situation as compared with 37 per cent for the whole of Quebec.

And there again, I do not even take into account the 629 farms whose gross operating income is less than $1,200 a year.

Mr. Chairman, looking at this situation it is easy to understand why the farmers in my riding are complaining. You must admit that they have every reason to. That is why I am as impatient as all the farmers in Bellechasse to see beneficial and logical farm legislation introduced in the house. I must stress also how urgent it is to recognize without delay the riding of Bellechasse as a designated area under ARDA and also as an economically weak area.

Other details must also be given to give a clear picture of the situation. I do not want to take too much time, but I would like to underline a point which I feel has some importance.

In our province, an average of six people derive their living from each farm, and the figures are the same for my constituency. The average is 4.6 in New Brunswick, four in Ontario and three only in Saskatchewan, that is just half the average for Quebec.

The 1961 census statistics reveal many other handicaps, especially as far as farm machinery is concerned.

All provinces considered as poor as far as agriculture is concerned suffer from a lack of mechanization. In those provinces—Quebec, Prince Edward Island, New Brunswick, Nova Scotia and British Columbia—the number of tractors, for instance, is lower than the number of farms, while in the other provinces, it is greater than the number of farms. A parallel similar to this one would be easy to establish for other farm machinery necessary these days, such as threshers, combines, hay binders and harvesters, etc.

Furthermore, a number of farmers have difficulty in meeting their payments on machinery bought on terms from regional agents. Unfortunately, several farmers pay on this essential machinery an interest reaching 15 per cent and more.

I believe this situation is due mainly to too strict an enforcement of the law when the farmers are trying to get loans from the Farm Credit Corporation. On account of the endless red tape and the constant uncertainty connected with getting reasonable loans, too many unfortunately, conclude arrangements with companies whose craving for profits knows no bounds.

It is, therefore, easy to understand that the dissatisfaction of a large number of farmers from the Bellechasse riding, as well as from others, is based on real facts. I do not want, therefore, to go counter in any way to their legitimate claims.

One could produce many other facts that would obviously show the unfortunate position of the majority of eastern farmers; hence my interest in everything that concerns agriculture in Canada.

I deem it my duty to give an account of the agricultural problem as regards my province as well as my constituency. I suggest that such a way of dealing with the problem pertains to sound democracy, providing that I take care not to lean to narrow-minded regionalism. A democratic society must listen to those for whom the elected government has to legislate in the interests of the population as a whole without prejudice as well as without favouritism towards any social class whatsoever and without settled prejudice as regards one area or another.

That is the reason why I wished to tell my colleagues and the government about some of our farmers' problems in the light of official statistics, although they go back to 1961.

All of the Quebec farmers are not poor or backwards in farm techniques. My province has its elite farmers; they are progressive and well-off. Unfortunately, eastern farmers established on naturally rich land are an exception.

Furthermore, farm techniques have been developed so quickly over the past few years that many farmers could not keep up with progress, either because of lack of knowledge, capital, equipment, guidance or other causes.

I would like here to express my greatest admiration to the eastern farmers who have succeeded in making both ends meet, for not all of them are well located or organized as far as various advantages are concerned: their success is primarily due to very hard work, to their unflinching ambition and to their love for the soil they till. The love of those farmers for their work is a constant inspiration to all Canadians who have a sense of responsibilities and who do not shy away from hard work.

It is imperative that this government, throughout logical and sound farm legislation, help all eastern farmers as soon as possible, especially in creating markets and stable prices for agricultural products; that would be in the interest of the general economy of the country. It must be borne in mind that a higher standard of living for the eastern farmer means a higher standard of living for the whole of Canada.

Mr. Chairman, about ten years ago, a Liberal government set up a Senate committee to inquire into the whole problem of agriculture and into the means of making better use of farm land.

If my information is correct, that inquiry led to the passing of one of the most interesting piece of legislation by the previous government: the Agricultural Rehabilitation and Development Act, known as ARDA.

This government intends to give as much scope as possible to ARDA. That is why this important service comes under the Department of Forestry, which has less to do and is less diversified than the Department of Agriculture.

The responsibilities regarding the needs for eastern feed grains will also be transferred to that department.

Eastern farmers are badly in need of ARDA. It is also very urgent for them that the western grain policy be revised and greatly improved.

As a matter of fact, it is absolutely essential that drastic steps be taken to eliminate completely and as soon as possible all speculation on that grain which eastern farmers cannot do without.

Mr. Chairman, I could not help but be deeply touched by the sympathy expressed by the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton), during the brilliant statement he made when the estimates of the Department of Agriculture were brought before us. I also remember very well the statement he made last fall, on December 12, on the quite painful situation in which eastern farmers found themselves. He had every reason to maintain that it was a real shame for the Canadian population that the standard of living of one fourth of the farm people of eastern Canada should be so low.

Mr. Chairman, you can be sure that I am convinced of the deep sincerity of the hon. member; there is no reason why I should suspect him on that point. However, I must say that his belated sincerity bewilders me since, to my knowledge, during the years he headed the very important department of agriculture, not a single major piece of legislation was adopted to help marginal farms which are so numerous in Quebec, for instance. Perhaps he meant well but what good are intentions without deeds?

On April 24 last the hon. member for Qu'Appelle said amongst other things:

> Last December during my remarks on the estimates I asked the minister whether he had knowledge of the farm survey we conducted in 22 districts of eastern Canada in January, 1963.

I presume that the hon. member has drawn from this inquiry a great deal of material to build up his argument showing the sad situation of the eastern farmers for the speech he delivered last autumn. I have not read the report of this inquiry. However, I looked into it and found, on page 46, a really surprising excerpt, I would say "shocking" to repeat the term used by my hon. colleague; this excerpt is as follows:

[*Text*]

> Comparing the same two provinces, Saskatchewan and Quebec, in the last year of record, 1961, the average net income of farmers in the province of Saskatchewan exceeded that of the Quebec farmers by 315 per cent. On the average of the past three years, which included a disastrous drought year in Saskatchewan, the net income of Saskatchewan farmers exceeded that of their compatriots in Quebec by almost 200 per cent.

[*Translation*]

And yet, faced with such a situation, the then minister of agriculture had the government pass direct assistance subsidies, I repeat, direct assistance subsidies, for prairie farmers.

Here are the details: In the main estimates for 1958-59, $41.3 million, in the main estimates for 1960-61, $40.5 million, in the main estimates for 1961-62, $40.5 million. However, I find no reference on the same page to the effect that such subsidies that were surely much needed, were paid to eastern farmers whose income was 315 per cent less than that of prairie farmers.

Moreover, in the same document, on page 64 of the main estimates for 1962, I find the following items under the Department of Agriculture out of $289.3 million in agricultural estimates: "Assistance to grain storage in western Canada": $49 million; "board of grain commissioners": $6.5 million; "Prairie Farm Emergency Fund": (deficit) $49.5 million; "Payments to western grain producers" (direct assistance): $40.5 million; "Redevelopment and rehabilitation projects": $26.6 million; that is a total of $172.1 million.

Therefore, out of a total of $289.3 million, $172.1 million were paid exclusively to western farmers, leaving only $117.2 million for the administration of a department of vital importance and for assistance provided to the whole country and moreover, here again, western Canada got its share like other areas of the country. It must be recognized that for eastern farmers, the milk was rather thin and not very nourishing.

Mr. Cyr: It was buttermilk.

Mr. Laverdière: It seems to me that it would have been appropriate to show a little sympathy at that time; we might have today a policy of assistance to the eastern provinces which would be in full force and we would be now in a better position to carry on the work which would have been prepared.

The Chairman: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Laverdière: Mr. Chairman, it would take me just a couple of minutes more to conclude my remarks, and with the unanimous consent of the house I would be able to do so.

[*Text*]

The Chairman: Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Laverdière: Thank you, Mr. Chairman. I also thank all the hon. members because they have allowed me to continue. I feel that I must thank them.

Under the circumstances, I shall add only a few words to my remarks. I want especially to mention this: I do not want people to think by the remarks I just made that there is any opposition from those I represent, namely the eastern farmers in general, to the assistance given to and received by the western farmers, because otherwise, it would only widen the gap which has often existed between the east and the west. However, we have to recognize the facts as they are.

For the good of the country, of confederation and of agriculture also, there must be an understanding between eastern and western Canada. One region can help the other and each can complete the other, especially in the production of feed grain which is so urgently needed for our eastern cattle.

I insist, however, that justice be rendered to those poor eastern farmers who have a right to all the advantages that the Department of Agriculture can offer.

I urge all my colleagues in opposition to get the government to be generous in all the policies that might help the economic recovery of our marginal farms, much too numerous in eastern Canada. The owners of those farms have shown extraordinary courage until now, otherwise the situation would be even worse than it is today.

In closing, Mr. Chairman, I would like to point out that I heard a while ago about the appointment to an important post in the Department of Agriculture of a bilingual employee, Mr. Robert Thomas. French speaking farmers are not spoiled when it comes to getting services from employees who can understand their language in that department. I think it is the first time that a bilingual employee has been appointed to an important post within the last few years.

As a French Canadian, I hope that is only a beginning. Today's farmers, thanks to easier means of transportation and more active farm organizations, come here to discuss their problems with the officials of the departments which have the duty to guide them and offer them the necessary leadership.

They come to Ottawa more often than before. On the other hand, I would like to see that farmers who come to Ottawa as a delegation in the next few years to meet with officials of the Department of Agriculture get more—as one farmer put it a few months ago —than an English lesson.

[*Text*]

Mr. Southam: Mr. Chairman, I welcome the opportunity of making a few comments on this first item of the estimates of the Department of Agriculture. I would like to direct my thoughts specifically to the problem of rail line abandonment. We from western Canada are particularly concerned about it, and when I say that I am also thinking of the ciitzens in eastern Canada. But because the problem has become more pronounced and apparent in western Canada I would like to concentrate on that area because I am more familiar with the problem there.

When the government came into office with the fanfare of 60 days of decision we looked forward to its carrying on some of our good agricultural policies, and to its putting something into effect so far as rail line abandonment was concerned. Instead of having 60 days of decision we had 60 days of indecision and indiscretion. In fact, it has stretched out now to 385 days of indecision. Responsibility, originally invested in the former minister of transport, now President of the Privy Council, was transferred to the present Minister of Transport and is now placed in the hands of the Minister of Agriculture. We are wondering what this will-o'-the-wisp policy really means.

I should like to put some background information on record and in order to do this I cannot do better, I feel, than quote part of a message directed to the Saskatchewan farmers' union on December 6 of last year by the former minister of agriculture, my hon. friend from Qu'Appelle. I should like to read some of this information into the record because I think it is pertinent and that it may help the present minister when he does decide to take some action regarding this problem:

> We sometimes tend to forget that up until a few years ago westerners were deeply and constantly concerned over the steady spiralling of freight rate charges. Since the war the cumulative effect of freight rate increases in percentage form was staggering. This was one of the major problems faced by the new government elected in 1957.
>
> To gain time to find a fundamental solution to our difficulties we put a stop to freight increases by paying a national subsidy to the railways. Meanwhile the royal commission under the direction of M. A. MacPherson of Regina set about the task of getting at the fundamental problems facing the railway industry. You will recall that Mr.

M. A. MacPherson for many years had been the acknowledged spokesman for western Canada, I think it is correct to say that he had the confidence of prairie governments regardless of political affiliation.

The chief western complaint was that freight rate increases were loaded on the captive market of the prairie provinces, the maritimes, and our northern areas. Competition kept the rates down in the heavily populated areas of Quebec and Ontario.

The royal commission saw this problem very clearly. On page 34 of volume 1 of their report these words can be found:

"The commission is convinced that consideration can only effectively be given to these and many other special problems in the light of the wider context dealt with in this volume of its report. First, there are basic and broad correctives to be applied through changes in public policy which are necessary to help the railways find their proper place in the increasingly competitive transportation environment.

The recommendations we will make in this volume will be designed to remove from rail shippers, particularly from those whose opportunity of using alternative forms of transport is limited or non-existent, the heavy burden of obligations left on the railways as a legacy from another day. By the same token these recommendations should allow the railways as business corporations to take their rightful place in the Canadian transportation scene."

To make the position of the railways viable and keep them operating, the report, in general, recommended the elimination of passenger service in those areas where the people were not using these services. Second, that the railways should be allowed to abandon certain light density lines or that the government pay a subsidy on those individual lines where it was in the national interest to maintain operation. There was no recommendation that the Crowsnest pass agreement be abolished, but a recommendation was made where the railways could prove loss that a variable subsidy should be paid to make up the difference. As I understand it, this recommendation means that in years when there is heavy grain movement on a certain line and no losses resulted the government would not have to pay any subsidy, but in years when there was light traffic the railways could claim for subsidy up to the amount of loss.

Now I should like to put on record at this point something which I believe is very interesting in view of the fact that the railways have made so many applications for branch line abandonment in western Canada. I will quote from the *Globe and Mail* of March 10, 1964. The heading reads: "Rail Revenue 4-Year High, C.P.R. Says".

The highest railway revenue since 1959 was reported yesterday by the Canadian Pacific Railway Co., in its 1963 annual report. Railway revenue was $477,197,937, compared with $453,169,224 the previous year and $477,806,000 in 1959.

This reflects the result, in a large measure, of the heavy volume of grain shipments from western Canada. The Winnipeg *Tribune*, dealing with the same news report in an editorial published on April 3, had this to say under the heading "Odd Increase":

The Canadian Pacific Railway seems to have had a pretty good year in 1963 judging from the annual report made public this week. Railway revenues—that is, the part of C.P.R. income coming directly from railway operations—amounted to more than $477 million, an increase of more than $24 million over 1962.

Freight revenue accounted for $419 million of the total take. This represented an increase of $25.8 million over the preceding year or 7 per cent. Freight traffic volume increased by 12 per cent and, according to the report, grain shipments resulting from the Chinese, Russian and other wheat sales contributed heavily to the increase. But it was not only revenues that increased, profits increased as well. The net earnings actually rose by more than $6.2 million over 1962.

It's rather odd that C.P.R. freight profits increased at a time when grain shipments increased.

Now, this is the pertinent part:

The railways have long and vigorously contended that they were losing money on the Crowsnest pass rates charges for hauling grain. If this contention is valid, the railways should have shown a marked decline in revenues when they hauled record shipments of grain to seaboard.

Maybe the railway accountants should take another look. Or better still, maybe some outside accountants should sharpen their pencils in a definitive examination of the Crowsnest rates.

I think this is a very important and practical thought in relation to the applications which are now before the board of transport commissioners for permission to abandon large mileages of railway track.

I should like to continue by giving a little more background and then to deal specifically with the situation in Saskatchewan. First, I wish to discuss some of the factors which affect our thinking, and the courses of action now to be taken—I am quoting, now, from the address by my hon. friend from Qu'Appelle which I previously mentioned.

In the first place the previous government worked long and hard on a bill to put our views of the royal commission recommendations into legislative form. That bill was finally ready for introduction in the parliament that met first in September 1962. Being of such vital importance to the economy of Canada as a whole and to the grain areas of the prairies in particular, considerable effort was put into consultation with various groups that had heavy financial interest in our projected proposals. If took some months to arrange, but we finally were successful in bringing the railway companies and the grain handling companies of western Canada together in a meeting. There were extremely frank views expressed at this meeting, but the most important fact was the recognition of their mutual interests.

In layman's language everybody recognized the fundamental place of railways in our economy. The railways recognized the tremendous financial investments by the great grain co-operatives and private companies and thereby the need for a high level of co-ordination between the railways and grain companies in any plans for abandonment. Therefore this conference achieved the understanding that was necessary before any solutions could be expected. I believe I am reasonably fair in saying that there has been relative peace between these two groups even though by sheer economic interest there tends to be some continuing suspicion.

In addition to the pure economic interests there is the far greater problem of the public interest both social and economic. For this reason, in January 1963 the government called into con-

ference the three premiers of the prairie provinces. It outlined in general the principle of the federal government's legislation and the several methods in the act that protected the public interest. Then the discussion went on into the field that was not covered by the proposed bill and which could only be met by the utmost co-operation between the provincial governments and the federal government representing the public interest. This was the impact on communities, if railway abandonment took place. Certain types of compromises based on the circumstances in any particular locality were discussed. The pledge was given by the federal government that after the bill was introduced and its terms were known future joint discussion should take place that would lead to a co-operative solution of any difficulties that might arise. Once again I believe I am fair in saying there was general agreement on the method of working together to resolve difficulties.

I believe I am also correct in saying that from a consensus of opinion that before any abandonment took place there should be a study of western Canada, region by region, to see that any dislocations were kept to a minimum. For example in a purely hypothetical case, suppose that three or four lines in one area were operating at a loss the railways would put in requests that each of these lines might be abandoned. However, a study of the region might indicate that if one of these lines were abandoned the other two or three might become economic; therefore it follows that any decision to abandon should be made with the economic future in mind.

The above description of happenings in the fall of 1962 up to January, 1963 puts the events of the last 11 months into clearer perspective. The government changed in April, 1963. Naturally the new government would want time to decide on its course of action.

I think I have put enough on the record, Mr. Chairman, as far as the policy of the former government is concerned, to put this problem into perspective and to indicate that the groundwork was thoroughly laid by the right hon. Leader of the Opposition and his capable minister of agriculture, the hon. member for Qu'Appelle. As a result of this, we felt, as I said at the beginning of my remarks, that action would have been taken by the present government, but so far it has been a matter of great concern to western people in particular, and I think to all Canadians, that this very vital problem has not been attacked.

To put this matter into more particular perspective as far as Saskatchewan is concerned, I have in my hand a table which gives figures up to November 6, 1963. It deals with approximately 1,392 miles of railroad. That is a considerable amount of railway line, and it does not include a lot of the applications that we thought might have come in, because when I was a member last fall of the sessional committee on railways, shipping and air lines I asked the president of the C.N.R. how his figures compared with those of the C.P.R., and he intimated to the committee that the C.P.R. had been reluctant to date to bring in applications for rail line abandonment. I think this is rather unfair, for the simple reason that it does create a little difficulty in getting the whole picture into perspective. I inquired of the witness why he thought this was the case, and he suggested that, possibly because the C.P.R. was a free enterprise company, they did not want to divulge personal information to their competitors. Nevertheless this table points up just how serious is this matter to the people of Saskatchewan.

The table deals with 31 subdivisions. I am just going to run over them briefly: Avonlea, Amiens, Aborfield, Bengough, Blewett, Bodo, Bolney, Beechy, Corning, Cudworth, Colony, Cutknife, Carlton, Chelan, Central Butte, Dodsland, Gravelbourg, Goodwater, Kisby, Mantario, Main Centre, Porter, Rhein, Riverhurst, Stewart Valley, White Bear, Weyburn and Avonlea, Tonkin (Yorkton-Parkview), Tonkin (Yorkton-MacNutt), and St. Brieux. Going back, Mr. Chairman, and being a little more definitive, in the subdivision of Avonlea, which takes in Radville-Avonlea, there are five towns or villages, with six elevators affected. There are 217 permit holders in this particular subdivision. The six elevators have a capacity of 282,500 bushels, with an average turnover of 796,907 bushels; and 165 residents are affected. That just gives an example.

Coming to my constituency of Moose Mountain, we have the Blewett-Luxton subdivision, where there are three villages or hamlets, with three elevators, the total capacity of which is 77,000 bushels. There are 76 permit holders and approximately the same number of families. Going down to Corning on this list, which is the Peebles-Handsworth subdivision, there are three villages or towns, seven elevators are affected, with a total capacity of 289,000 bushels. The annual turnover is 975,304 bushels. The total population affected is 345 people.

Then dealing with the Goodwater-Radville subdivision, there are two villages, with five elevators affected and 164 permit holders. There are 193 residents involved. The total capacity of the elevators is 289,200 bushels. Going to Kisby, the Weyburn-Stoughton subdivision, there are four villages or towns, seven elevators and 198 permit holders. To put these figures of permit holders into perspective, Mr. Chairman, we have, under the quota system in western Canada, roughly 225,000 or 226,000 permit holders. Approximately half of these permit holders are in the province of Saskatchewan. Therefore when I say there are 198 permit holders in one area, you can see how adversely affected is agriculture in this particular subdivision when there are so many permit holders.

To crystallize this a little better I will give the total figures of the Saskatchewan applications to date under the C.P.R. and C.N.R. The total number of towns and villages affected

in the 1,392 miles of proposed rail line abandonment are 187. Just picture that, Mr. Chairman. There are a total of 426 elevators and 14,850 permit holders. These are people adjoining the proposed railway line abandonments. The total elevator capacity of these 426 elevators is 26,987,700 bushels, and the average turnover per year over the last 10 years was 49,556,124. This figure refers to the 426 elevators. The total population affected—this is the number of people who live adjoining these lines—is 22,588. So it becomes apparent that the social and economic life of a great many people will be seriously affected by whatever policy is adopted with respect to rail line abandonment. This is why it becomes so serious in the minds of the people of western Canada.

It is true that I, the hon. member for Mackenzie, the hon. member for Lisgar and the hon. member for Rosthern—and I could name a dozen other hon. members in the house—have been putting questions to the Minister of Transport over the past year as to when action was going to be taken. He always fielded these questions by saying, "We have adopted the policy of the previous government. We have declared a moratorium on rail line abandonment". The government figured this answered the question. But it did not answer the question, because this haze of uncertainty has been hanging over the heads of these people.

One might say: "Leave that well alone; why worry?" But let us take the elevator companies. They have invested a large amount of money in these 426 elevators. From time to time it is customary to repair them, and occasionally they have to be moved or even torn down. There is a pall of uncertainty hanging over their heads. They do not know whether to repair them or to move them. In some of these small towns and villages people have carried on a family business for years. Their forefathers opened a small business in the town which has been handed down from father to son for several generations. Their life savings are tied up in it. They may also have the post office as a sideline and other businesses tied in too. If it is a large town they may have several businesses in that town.

These people will be adversely affected if the rail line is wrapped up and their trading centre disappears, and they would like to know whether to take advantage of the small loans legislation introduced by the former government and modernize their plant, or whether they should try and open up a business some other place and re-establish themselves. Some of the oil companies which are developing in certain areas of Saskatchewan are using the railroads to a large extent for the transportation of oil. If the rail lines serving these people are going to be wrapped up, then should they develop trucking systems or a gathering system through the use of pipe lines? These are matters which will have to be planned for by the oil companies.

Another major problem concerns the municipalities themselves who might be affected by rail line abandonment. They have a co-operative or reciprocal agreement with their provincial government to develop transportation facilities, and this planning has been in force for a matter of ten years or more. If rail lines are to be abandoned and roads provided as an alternative to enable farmers to be able to market their grain, it will take several years of budgeting at large expense to the taxpayers in order to provide these facilities so that these people will not be too adversely affected by sudden change. These are some of the problems arising in connection with the procrastination and apparent indifference of the present government in dealing with this matter.

I do not want to labour this point, but I should like to say that No. 31 on the list of public bills is a bill standing in my name, Bill No. C-57, dealing with another aspect of rail line abandonment. I would urge the minister to bring in legislation to solve this problem and to give very serious consideration to the principles outlined in my proposed Bill No. C-57. I think that here is a concept or a principle which, if it is incorporated into government legislation, will help ease the blow when rail line abandonment becomes effective. I would ask the minister and his department to give special attention to this matter. I refer to my bill tonight because I do not think I will have the opportunity to do so later, due to the fact that my bill is so far down the list. Therefore, I again urge the government to take immediate, effective and active steps to develop this legislation. As I pointed out earlier in my remarks, the groundwork has been developed. The government do not have to do a lot of missionary work which the former government had to do. It is only a question of taking the bill which the former government prepared and perhaps with a few adjustments or amendments bring it before the house and pass it through. When this is done this heavy cloud of apprehension which is hanging over the people in western Canada will disperse.

[*Translation*]

Mr. Choquette: Mr. Chairman, since we are dealing with the estimates of the Department of Agriculture, I feel duty bound to express my views on this subject which concerns the

greater part of the people of the riding of Lotbinière. It is a fact that my constituency is essentially agricultural and does constitute one of the most typical of rural regions, where it is of the utmost importance to apply a well-defined agricultural policy.

Mr. Chairman, I have hardly been here a year, but I have found to my great disappointment that, when our Conservative friends criticize the agricultural policy of the present government—

Mr. Pigeon: You have none.

Mr. Choquette: —the automatic reply from the lips of government members is this one: What prevented you from doing that during the five years you were in office?

Mr. Chairman, this is becoming childish and we sometimes hear people belonging to new parties say: We are under the impression that Conservatives and Liberals are anything but different. That is exactly the impression we should avoid.

As for farm policy, drastic reforms are imperative. Of course, a great deal of improvement has been made and I will have the opportunity, later on, to refute the authenticity of the figures quoted by the hon. member for Nicolet-Yamaska (Mr. Vincent) when he criticized the policy recently announced by the Minister of Agriculture (Mr. Hays).

Mr. Chairman, I feel that a drastic reform of agriculture is imperative and more particularly as far as eastern agriculture is concerned.

A few minutes ago I heard the hon. member for Bellechasse (Mr. Laverdière) quoting some figures—

[*Text*]

The Chairman: Order. Shall I rise, report progress, and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the acting house leader what is the business for Friday, and Monday and Tuesday if he can give that to us.

Mr. MacNaught: Mr. Speaker, tomorrow we will take up the second reading of Bill No. C-91, to amend the Income Tax Act. When this is concluded we will consider the resolution to set up the special committee to continue the consideration of matters relating to defence.

Then we will take up second reading of Bill C-90, an act to amend the National Defence Act. Then we will consider the resolution preceding a bill to authorize certain crown corporations to pay certain provincial fees and taxes. If that is concluded we will consider the resolution preceding the bill to amend the Exchequer Court Act.

Mr. Churchill: Is that for Friday, Monday and Tuesday?

Mr. MacNaught: Friday, Monday, Tuesday and Wednesday, until they are finished and in that order.

Mr. Churchill: That is quite a change from what we had in mind. I understood that the committee on defence and the bill to amend the National Defence Act were to come up tomorrow.

Mr. MacNaught: I announced those too. They were the second and third items.

Mr. Churchill: You said the first item is the Income Tax Act.

Mr. MacNaught: An act to amend the Income Tax Act.

Mr. Churchill: Which is a very lengthy act.

[*Later:*]

Mr. MacNaught: Mr. Speaker, I wish to make a slight change in the order of business which I announced at ten o'clock. After consultation with my colleagues and the house leaders opposite, it has been decided not to proceed with the second reading of the Income Tax Act amendments. With that change, the order of business will be as I outlined it at ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

TRANSPORT—RICHELIEU WATERWAY—STUDY BY INTERNATIONAL JOINT COMMISSION

Mr. Deputy Speaker: Order. In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore the question is that this house do now adjourn. The hon. member for Joliette-L'Assomption-Montcalm.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, a few days ago, I put the following question to the Secretary of State for External Affairs (Mr. Martin): Could the minister tell the house what progress has been made by the boundary waters

commission concerning the deepening of the Richelieu river? As I did not receive any answer, I asked the Speaker to transfer this question for debate.

I am most astonished to see that the Secretary of State for External Affairs is absent and he must surely have a major reason for not being here tonight. But I cannot see why his parliamentary secretary is not here either.

I can tell you this, Mr. Speaker, if I do not obtain a satisfactory answer, because I know the kind of answer often given by the Minister of Transport (Mr. Pickersgill), to wit what progress has been made in the surveys of this international commission on the deepening of the Richelieu river, we will have to revert to the former system of questions, because we have not obtained full co-operation from the government.

I asked that question of the Secretary of State for External Affairs, because on January 22, 1960, the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) had delivered a long speech in the house urging the government to undertake the study of the project. And as reported on page 248 of *Hansard,* he stated among other things:

> The deepening of the Richelieu river is the logical step consequent on the St. Lawrence seaway achievement which has already proved itself so beneficial both to Canada and to the United States. The people of these two countries are almost unanimously in favour of the deepening of the river in the near future.

The hon. member for St. Jean-Iberville-Napierville even said that it would help to solve the unemployment problem.

Mr. Speaker, we want to know on this side of the house where that international commission stands with its studies. It seems to me the government refuses to take a stand and to carry out the positive promise made among others during the last election campaign by the hon. member for St. Jean-Iberville-Napierville and some of his colleagues.

I want an accurate answer from the Secretary of State for External Affairs or from his representative. I want to know exactly where the study of this commission stands to bring in a concrete project which is terribly important for the economy of the province of Quebec and by the same token, for the economy of Canada as a whole. I hope to have a rather precise answer; otherwise, we will be justified in saying that we lack government co-operation since there is no representative here tonight from the Department of the Secretary of State for External Affairs. I hope that a government representative will give me a satisfactory answer.

[*Text*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I regret very much that the Secretary of State for External Affairs (Mr. Martin) had a very pressing engagement which made it impossible for him to be here this evening.

Mr. Pigeon: What about the parliamentary secretary?

Mr. Pickersgill: The hon. member for Parkdale (Mr. Haidasz), who is parliamentary secretary, was not able to be in the house today, but I was here when the question was asked and I have a certain familiarity with this matter. If it should be decided by the two governments after the studies are completed that this project, which could only be an international project or it would, of course, have no value whatever, should be proceeded with I presume it would be the responsibility of my department and whoever happens to be the minister at that time. I hope that I might be the minister because I expect to be here for quite a long time, particularly as long as certain hon. gentlemen continue to encourage the electors to draw the kind of contrast that they cannot help but draw.

I can tell the hon. gentleman that there has been a very active study indeed, which was of course undertaken by the government which he supported in the first instance, in collaboration with the government of the United States through the medium of the international joint commission. I know from reports that have been given to me by members of the commission, that the commission has not been content merely to study papers but has actually visited the whole waterway. This is a matter to which both governments, through the medium of the international joint commission, are giving close attention. It would be impossible, of course, for either government, on its own, meaningfully to undertake any works until there was an agreement between the two governments, because there would be no use building part of the waterway if the whole of the waterway were not going to be built. This is, of course, the second most historic waterway situated in eastern North America. It is full of history and one hopes it may also, in time, be full of commerce.

WATER RESOURCES—PROPOSED DIVERSION FROM HUDSON BAY INTO GREAT LAKES

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, last Wednesday, May 6, I asked the right hon. Prime Minister if he had received from the Ontario chamber of commerce a resolution recommending to study the possibility of diverting the James bay waters into the great lakes, through the Harricanaw river, and if he intended to recommend that study. I

know that several other Canadian organizations are also interested in this matter. I want to ask him, tonight, and in his absence, the Minister of Northern Affairs and National Resources (Mr. Laing), if, in the light of new developments and techniques, and especially in view of the need that is getting more pressing for soft water supply for the use of residents living near the great lakes, and in order, also, to correct several navigation problems on the St. Lawrence river and the Ottawa river, in the light of these facts, I would like to know whether the government expects to have technical and economic surveys made in that connection and whether it considers consulting the governments concerned, especially those of Quebec and Ontario, as well as the government of the United States, and of six or seven American states, concerning the project known as Grand Canal.

It is reported that the water level in the great lakes is going down continually; this is causing problems and the prospects are quite alarming. Besides, navigation on the St. Lawrence is seriously hindered, and this takes a heavy toll on the Canadian economy. This spring the press reported that the first ocean liner to leave the Montreal harbour had to reduce considerably its cargo before leaving port, because the water level was too low.

In the same line of thought, we are told that the reason why the water level is so dangerously low is the dry weather of last fall and the low precipitation during the winter. It still remains that last summer the water level in the harbour of Montreal and in the great lakes was lower than normal before the dry season.

Mr. Speaker, the government is certainly aware of the fact that an engineer from Sudbury, Ontario, has been making extended studies for several years to find an acceptable solution. He suggests the diversion of the Harricanaw river which has its source in lakes Senneville, Montigny, Malartic and Lamothe, in Abitibi, and flows into James bay after passing through Amos in my riding.

According to his project those waters would be forced back and diverted into lake Timiskaming through a series of canals, dams and pumps. From there, the dredging of a canal cutting the line of watershed at North Bay would allow for the diversion of those waters into lake Nipissing, and from there into Georgian bay and the great lakes.

Mr. Speaker, you will understand that I am interested in that project since it directly affects my riding, and if it were carried out, it would be a significant improvement for the economy of that area which has been too much neglected by the authorities in the past.

That is why I insist on knowing whether the government are taking into serious consideration the problem of elevating the water levels of the great lakes, and if they are taking into consideration the various suggestions made, more particularly the suggestion from the Ontario chamber of commerce.

[*Text*]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I want to thank the hon. gentleman for his inquiry and to tell him this is a matter that is being taken exceedingly seriously by the government at the present time.

The more obvious losses on the great lakes to those who are operating resorts or carrying out shipping on them, are known to most of the people of Canada, but probably the most serious losses of all are not known to the people of Canada. We are reliably informed that the additional amount of coal which Ontario hydro had to buy last year because of the low levels in the lakes, and hence a reduction in power from hydro, was not less than $12 million. This was coal brought in to burn in thermal plants as a result of the low levels on the lakes. In addition to that, one of the most serious damages occurred not on the water but on the land in southern Ontario, and a reliable estimate states that last year over $75 million was lost in canning crops alone, as a result of the drought.

It is the contention of our branch and our water department that the principal reason for this is that we are in a very dry spell. There is a cycle of drought in the area of Ontario that normally feeds the lakes. In 1962 the rainfall was two inches less than it had been in the previous year, and that was almost two inches less than the average. In 1963 it was another three inches less, so that in two years there were five inches less rainfall in the area that feeds the lakes than there had been two years previously.

In addition to that we have had some very high temperatures during the last two years. The loss of water comes from two sources, namely lack of rainfall, and evaporation from the water that does fall, and for the past two years evaporation has been exceedingly high.

We are fully aware of the situation and have made a study. We are fully aware of the proposal in respect to the grand canal which envisions the use of power on the Nottaway river lying in the province of Quebec, which can produce a great deal of power, probably 900,000 kilowatts or 1 million kilowatts, to lifting water into the Harricanaw river behind dams, and changing the direction of the Harricanaw from flowing north and having it flow south.

The concept would require water to be raised over a height of substantially 925 feet—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. minister but his time has expired.

SHIPPING—GREAT LAKES—INCREASED HANDLING CHARGES BECAUSE OF LOW WATER LEVELS

Mr. S. J. Korchinski (Mackenzie): My question hinges upon something the minister of northern affairs has already touched upon, although it has an entirely different twang to it; it has a western flavour. I have raised this question because nobody heretofore has raised the question that, with the water levels low, it has affected the western economy.

My point of contention is that because of the low levels of the great lakes boats coming in for loading have had to fill to less than 100 per cent capacity. They have had to take on partial loads. This, in effect, has had the result that more boats have had to come in, and as a result of more boats having to come in this means that we, as western producers—and I speak as a western producer, a western farmer, myself—will have to pay the cost of more boats coming in. I think whether the government realizes this or not the western farmer is conscious of what is happening in central Canada. Whether central Canada is interested in western Canada or not, western Canada is interested in the economy of the central part of that area which is supposed to be immune to all our suggestions and so on.

What I am suggesting at the moment is that neither the minister nor the government has taken into consideration the problem that we have, namely that we are being charged for delivery of grain to foreign countries. It seems that we have a very good product, one that is saleable, and I am sure the Minister of Trade and Commerce who is presently out of the country is interested in selling our product. But he has not taken cognizance of the problem that we have in Canada. We have tried to promote sales abroad, yet we do not do anything about our problem right here in Canada.

How do we keep the cost of selling our product at such a level as to be competitive? By keeping our product competitive, I mean can we sell it to another country by utilizing the maximum of our shipping capacity? These are ways that will prove to the western producers that the government is interested in their welfare; these are ways that will prove to all, not necessarily to the western producer but to all Canadians, that the government is interested in doing something to remove the balance of trade problem which has faced not only this government but the previous government; and I think this government should take a close look at the problem.

We are very much concerned over the fact that the port of Churchill, for example, has not been utilized to its maximum and I notice that out of 67 days, when we had a shipping season, 15 days were not used. It seems to me that this is the root of the problem. Are we making maximum use of efficiency? Are we placing our product on the world market in such a way that it is competitive? If we had used up the days at Churchill we could have saved 12 cents a bushel on every bushel that was exported out of Canada by using the maximum facilities we had. Even out of the terminals at the great lakes, we should have saved. But what do we do? We bring in two boats instead of one—intead of bringing in one boat and filling it to capacity. It is very easy: You bring in a boat, load it to half capacity. Oh, temporarily you give somebody work for the time being, but what do you do in the meantime? Do you protect the saleability of the product? Not only is wheat in question; the point is that every product we have in Canada is affected. Perhaps I could read this quotation from the *Sun-Times* of April 6:

> Captain Bert Bazeley, fleet manager for Upper Lakes Shipping Ltd., Toronto, says each of the company's ten large carriers is shipping 1,000 tons light every trip.

That is because they have trouble getting into ports. It seems to me this is not only a question of shipping grain out of lake Superior or any of our other ports, but this problem applies to every product that we manufacture or produce. I think the question I have raised is important enough to be given serious consideration when we are trying to get into the world market. If we have a product to sell—and we have a great many good products to sell—I think the government should recognize the fact that they are not doing anything to promote the sale of these products or enable those who produce the products to sell them, because of the situation that exists.

I think the government should recognize this problem and do something to solve it, whether dredging is needed or whatever it is. I certainly do not agree with the theory that we should pray for rain, and I think now is the time for the government to come up with some sort of policy.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the hon. member seems to be suggesting that, first, the government is not aware of this problem. The Minister of Northern Affairs and National Resources (Mr. Laing) made it very clear—

Mr. Korchinski: You haven't done anything.

Mr. Drury: —that he is very much concerned.

Mr. Korchinski: Yes; pray for rain.

Mr. Drury: The hon. member also suggested that inadequate use has been made of the port of Churchill. I recollect some weeks ago the Minister of Trade and Commerce (Mr. Sharp) pointing out, respecting the port of Churchill, that in the most recent crop year shipments through Churchill have been larger than at any other time in Churchill's history.

Mr. Korchinski: Nonsense; for 15 days there was nothing shipped out of Churchill.

Mr. Drury: There have been very substantial shipments out of Churchill.

Mr. Korchinski: Look at the question I put on the order paper.

Mr. Drury: Mr. Speaker, I wonder if the hon. member would limit himself to seven minutes and allow me my three minutes.

Mr. Korchinski: Then just give the facts.

Mr. Drury: Shipments out of Churchill will be even greater this year. Further, with respect to the condition of the great lakes, the fact of the matter is that water is low this year, arising out of conditions which perhaps might have been foreseen and acted on three years ago; but it is too late to do anything about it now and cure it this year. The time for action was three or four years ago. However, Mr. Speaker, what can be done this year is being done, and I think some indication has been given to the house of the substantial dredging operations which are being carried out and are to be carried out in the great lakes with a view to allowing access to these piers for the movement of wheat. The government is acutely conscious of the importance of moving substantial quantities of wheat, and the recent change in administrative policy is further evidence of this fact, to assist as much as possible. Extensive dredging operations are being undertaken.

Motion agreed to and the house adjourned at 10.26 p.m.

HOUSE OF COMMONS

Friday, May 8, 1964

The house met at 11 a.m.

PRIVILEGE

MR. HERRIDGE—USE IN COMMITTEE OF DOCUMENT NOT TABLED IN HOUSE

Mr. H. W. Herridge (Kootenay West): I rise on a question of privilege. My question of privilege is that certain documents were improperly made available to the hon. member for Kootenay East by a senior official of the Department of External Affairs before those documents had been tabled in the house. This action was taken during a meeting of the external affairs committee held yesterday afternoon, and in my opinion it constituted an offence against the rules of the house and a grave discourtesy to its members.

On Wednesday, May 6 I moved the following motion:

> That an order of the house do issue for a copy of all petitions sponsored by the Nelson chamber of commerce signed by residents of Kootenay East and West urging immediate ratification of the Columbia river treaty, received by the government since January 1, 1964.

This motion was unanimously agreed to. During the meeting of the external affairs committee yesterday afternoon a senior official of the Department of External Affairs, at two minutes after 5 p.m., handed the hon. member for Kootenay East the original petition referred to in my motion. I wish to bring Your Honour's attention to the fact that the hon. member for Kootenay East is not at present a member of the government. Shortly afterward the hon. member for Kootenay East commenced to use this document as evidence before the committee.

At that point I immediately rose on a question of privilege to draw the attention of the committee to the fact that the document was improperly before the committee. The hon. member for Leeds, the esteemed chairman of the committee, then suggested I be permitted to see the petition. However, out of respect for the rules of this house and the rights of members of parliament I refused to look at the document until it came into my hands legally in accordance with the rules of the house.

Therefore, Mr. Speaker, I respectfully suggest that the members of this house are entitled to an explanation of the reasons for this unusual breach of the rules of this house, and are entitled to an apology from the member for Kootenay East and the senior official of the Department of External Affairs involved in this breach of the rules and grave discourtesy to the members of this house.

Hon. Paul Martin (Secretary of State for External Affairs): I might have risen and suggested that raising this particular question of privilege seems to me out of order at this time. The question has to do with a matter which is before a committee that is sitting, and the place to raise such a question of privilege is, I believe, in that committee. However, I am not rising to make a technical objection, except to remind my esteemed and sensitive friend of what I believe to be the correct procedure.

I am sure we would all regret it, if the hon. gentleman has been unfairly dealt with. The fact is that his question concerns a petition containing some 4,000 or 5,000 names of people from the hon. gentleman's constituency who are urging the government to get on with the Columbia river treaty. I referred to this petition when I was speaking in the house on the question of the Columbia river treaty.

Yesterday, or the day before yesterday, the hon. gentleman had on the order paper a motion which was accepted by the house asking for the production of this document. It takes time to provide several copies of it, and the hon. member for Kootenay East asked one of the officials of the Department of External Affairs if he might see the petition. The official, who is one of the responsible officials of the department, as the hon. gentleman knows, thought there was no reason why this should not be permitted. If the hon. member for Kootenay West had asked for it he would have obtained it. However, with these facts in mind I am looking into the matter further to try to deal with the situation in a manner which, I know, will end in the full satisfaction of the sensitive nature of my esteemed and dear friend the hon. member for Kootenay West.

Mr. Speaker: I am sure that the hon. member for Kootenay West, having raised this

matter and heard a partial explanation, and having heard also that the minister is looking into the matter further, will be satisfied.

MR. WOOLLIAMS—REFERENCE TO STATEMENT IN DEBATE BY MEMBER FOR BURNABY-COQUITLAM

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I rise on a question of privilege which not only affects me personally but I think affects many hon. members of the house. I realize and appreciate that the rules say I should raise a question of privilege as soon as possible. My question of privilege arises out of a comment made yesterday in reference to the report brought in by the rules committee. The comment was made by the hon. member for Burnaby-Coquitlam (Mr. Douglas). I was unable to hear it at the time because of the noise from that particular party following the remarks I made. The words I refer to are these:

> As long as we have a democracy in this country I think the hon. member for Bow River will have to abide by the decision of the electorate.

Either the hon. member for Burnaby-Coquitlam deliberately misinterpreted what I said or he unintentionally misinterpreted it, because I was not speaking against splinter parties as such or against the situation with regard to those constituencies which may elect members of splinter parties; I was saying there has grown up in this house a procedure, now endorsed by the rules committee, of giving a spokesman for each of those parties an opportunity to make comments in reply to statements on government policies made from the treasury benches from time to time. Here we are in the process of amending our rules because we wish to save time in the house, and we now have five parties in the opposition. I only said that in the future we may have 10 or 20.

An hon. Member: Four.

Mr. Woolliams: Well, four parties in the opposition; you are absolutely correct. I say, Mr. Speaker, that the hon. member for Burnaby-Coquitlam deliberately misinterpreted my statement because he was frightened that the Canadian people would find out the truth and import of my remarks.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on the question of privilege may I just point out to the hon. member for Bow River that his complaint is incorrectly lodged when he lodges it against the committee on procedure. It was the house itself, by unanimous decision, that adopted yesterday provisional standing order 15(2-a).

Mr. Woolliams: Mr. Speaker, may I reply to those remarks?

Mr. Speaker: Order, please. First of all, the hon. member has had the opportunity of restating his argument to a shorter and lesser degree. Second, I do not see any basic question of privilege. If it is anything it is a grievance, and it is hardly that. It is really a statement of personal opinion. In view of the discussion of yesterday and today may I suggest that we now get on with the business before the house.

Mr. Woolliams: I rise on a point of order, Mr. Speaker. My point of order is briefly this. The hon. member says it was unanimously approved by the house. If he had listened very carefully to my remarks he would know that I did not agree to it.

PUBLIC SERVICE

SENIORITY RIGHTS OF TRANSFERRED EMPLOYEES OF CANADIAN COMMERCIAL CORPORATION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the Secretary of State I would direct my question to the Prime Minister. It has to do with the promise given to 117 employees of the Canadian Commercial Corporation that their seniority and other rights would not be impaired in the termination of their services with the corporation and their absorption into the Department of Industry. Would the Prime Minister have this question looked into so the obvious injustice that would result from denying these civil servants their guaranteed rights, or indeed any possibility thereof, will be avoided?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I saw this report and I am looking into it. I am quite sure that if there is an injustice it must be corrected.

NATIONAL DEFENCE

BENEFITS PLAN FOR PERSONNEL TO BE RETIRED

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Associate Minister of National Defence; I have given him prior notice of this urgent subject. When will the government be in a position to release the

special benefits arrangements for the armed forces personnel who are being prematurely retired?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I am happy to inform the hon. member and the house that the government has approved a special benefits plan for service personnel who will be retired in advance of their normal retirement age as a result of the integration of the armed forces. The forces will be notified today of the contents of this plan, and details will be made available to all hon. members who are interested.

FINANCE

FAMILY ALLOWANCES—ADJUSTMENT IN ACCORDANCE WITH COST OF LIVING

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Prime Minister.

Does the government intend to introduce during this session a measure for readjusting family allowances according to the cost-of-living index?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

REMOVAL OF TAX ON BUILDING MATERIALS AND EQUIPMENT

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I want to direct a question to the Minister of Finance. It arises from an article written by Roger Appleton which appeared in yesterday's Ottawa *Citizen*. It is headed "Major Contractor Fails, Thousands May Lose Jobs". One of the reasons given for this bankruptcy and other bankruptcies is the tax on construction materials and building equipment. In view of this situation is the government giving any consideration to rescinding the tax in question?

Mr. Speaker: Order. First of all I have grave doubts that the question is in order. It is a very interesting one, but it is more a statement than a question. I realize its importance and the general interest, but it is too much to expect the minister to answer a question like this on the spur of the moment. It seems to me that the hon. member would be well advised to put the question on the order paper.

Mr. Woolliams: Mr. Speaker, this is an emergency problem. This is a national problem. Contractors are going broke all over the country because of this tax. Surely the minister is prepared to answer a question so important to the Canadian economy.

Mr. Speaker: Order. The hon. member is trying to argue the question. The fact that one contractor in the city of Ottawa goes into bankruptcy does not necessarily mean that all contractors across the country are going into bankruptcy.

PROCEDURE RESPECTING REFUNDS OF SALES TAX

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a question for the Acting Minister of National Revenue. On April 27 I asked the acting minister if his department was considering simplifying the procedures for obtaining refunds of the 8 per cent building tax on allowable projects such as educational institutions. The acting minister replied that simplified procedures had been announced or would be announced in a very short time. My question is, have these new procedures been announced, and where can I obtain this information?

Hon. G. J. McIlraith (Acting Minister of National Revenue): Mr. Speaker, new regulations have not yet been announced but I expect they will be announced almost any day now.

UNEMPLOYMENT INSURANCE

APPLICATION OF AVAILABILITY TEST

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour, notice of which I sent to his office this morning. In view of many complaints regarding the onerous application of the availability test for unemployment insurance benefit, has the minister had discussions about this matter with the unemployment insurance commission? Is any relaxation of the application of this test in prospect?

Some hon. Members: Order paper.

Mr. Speaker: Order, please. The hon. member was good enough to send me a copy of this question. I have done my best to see the pressing urgency in the matter, but may I suggest that he put it on the order paper.

Mr. Knowles: Mr. Speaker, I will not quarrel with your ruling, but I give notice that I will ask the question in the next overtime period.

FOREST FIRES

NOVA SCOTIA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, yesterday I addressed a question to the Prime Minister relative to providing assistance to Nova Scotia in fighting the serious forest fires which have broken out in that province. In view of press reports last evening that the provincial minister of lands and forests had called upon Ottawa for naval and air force planes to be used as water bombers, is the Prime Minister or the Minister of National Defence in a position to state whether any assistance as requested will be provided?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, may I repeat what I said yesterday, that if a request is made we will do what we can to help. But I am informed that no request has yet been received from the province of Nova Scotia.

Mr. Crouse: A supplementary question. Is the Prime Minister aware that the Minister of Forestry, as reported in the Halifax press of last evening, stated that this assistance will be made available if found technically possible by the services involved?

Mr. Pearson: Mr. Speaker, I am not aware of that report but I will look into it at once.

[*Later:*]

Mr. Pearson: Mr. Speaker, I should like to supplement and correct, if I may, the answer I gave the hon. member for Queens-Lunenburg. I am informed that a request for assistance has been received from the government of Nova Scotia, and that service personnel are now in fact assisting in fire-fighting in Nova Scotia.

VETERANS AFFAIRS

SASKATOON, SASK.—SUGGESTED NAME FOR NEW VETERANS HOME

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question for the Prime Minister relating to the question I posed previously in reference to naming the veterans home in Saskatoon after the late member of parliament for Saskatoon, Henry Frank Jones. At that time the Prime Minister will recall he stated that no official representation had been made by the city council of Saskatoon but that if this were done consideration might be given.

I have now been informed by the city council of Saskatoon that at their meeting on March 30, 1964, a resolution was passed to that effect, and that on April 3 a letter went out to the Minister of Veterans Affairs submitting the council's suggestion for the naming of this home. Would the Prime Minister now give consideration to this matter?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. I think I said that no information of that kind had been received by me. That is correct, but my hon. friend now tells me that a resolution has been passed and sent to one of my colleagues. I will look into the matter at once and give consideration to that request.

CANADIAN NATIONAL RAILWAYS

MARITIMES—REQUEST FOR DELAY IN REVISION OF MAINTENANCE OPERATIONS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Transport. I have not sent him notice because I feel quite sure he is familiar with the subject matter.

In view of the fact that the C.N.R. plans to revise its maintenance of way methods in the maritime area on June 1, which I am informed will cause great disruption and hardship among the working force and ultimate unemployment for a large number of railway workers, would the minister now advise the house what has been the result of his discussions with the C.N.R. in order to prevent this from taking place? He may recall that it was brought to his attention in the house.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am informed by the railway that the new methods they are proposing to use will not result in any decrease in employment until such time as there are retirements of existing employees who may not be replaced.

Mr. Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. Would the minister check with the C.N.R. and ascertain if it is not correct that many of these employees are going to be uprooted from their homes and may have to move hundreds of miles away, which will cause great disruption to themselves and their families?

Mr. Pickersgill: Mr. Speaker, I can only draw that statement to the attention of the management of the railway.

WATER RESOURCES

PROPOSED DIVERSION FROM HUDSON BAY INTO GREAT LAKES

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. In view of his statement made in the house last night that the Grand canal project is being taken exceedingly seriously by the government at this time, can he say whether the government will consider accepting the resolution standing in my name, which is to come up for debate on Monday next, asking for studies to be carried out in this connection and for talks between the provinces and the United States government?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, the hon. member should not misrepresent me. I said that the whole problem of the water levels of the lakes was being taken exceedingly seriously by the government. I said we were fully aware of the proposals in respect of the Grand canal and were studying them. Unfortunately I was unable to complete my statement last night, but we are making a study of the Grand canal proposal and other proposals from the point of view of trying to do the best we can in respect of the water levels throughout the great lakes system so that a minimum of damage will be done in all places and to the various people concerned.

Mr. Martineau: A supplementary question. I wonder whether the minister would mind answering the specific question I asked him, whether the government is disposed to accept the motion standing in my name on that question.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, a supplementary question to the minister. Would the minister say now whether the government, either the federal government by itself or in co-operation with the province of Ontario, is considering emergency action in order to ameliorate the effects of the falling water levels in the great lakes on the tourist industry and particularly on those operating marinas and the like who will suffer very greatly this summer unless some action is taken?

An hon. Member: Order paper.

Mr. Diefenbaker: Mr. Speaker, that is not a question for the order paper. The emergency is here, and I suggest if the minister has any plans he should answer the question.

Some hon. Members: Order.

Mr. Diefenbaker: I do not mind; the government never has any plans.

EXTERNAL AFFAIRS

GOVERNMENT INTENTIONS RESPECTING 12 MILE FISHING LIMIT

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Prime Minister. In view of the secrecy with which the Secretary of State for External Affairs and the Minister of Fisheries approached the Senate banking and commerce committee yesterday, and in view of their refusal to give information to that committee about the territorial waters and the fishing zone in Bill No. S-17, I wonder if the Prime Minister would consider making a more revealing explanatory statement so the people of Canada would know just what is in the mind of the government with regard to our fisheries limits.

Right Hon. L. B. Pearson (Prime Minister): I thought the statement which was read by my colleague to the committee yesterday was admirable and full. There was no refusal of any appropriate information.

NATO—ATTENDANCE OF MINISTER AT COUNCIL MEETING

On the orders of the day:

Mr. Andrew Brewin (Greenwood): My question is for the Secretary of State for External Affairs. I should like to ask him if he expects to attend the ministerial council meeting of the NATO at The Hague next week. If so, would he tell the house what is the attitude of the government of Canada toward the project for a mixed-manned nuclear force, which I understand is to be discussed at this council meeting?

Hon. Paul Martin (Secretary of State for External Affairs): The answer to the first part of the question is yes. The answer to the second part of the question has already been given in this house by the Prime Minister, who has stated the present policy of the government with regard to the proposed multilateral force. The multilateral force proposal is not a NATO proposal. It is a proposal by the government of the United States to which

some seven countries have given, in varying forms, a measure of consideration. Canada, however, is not one of the participants.

TRANS-CANADA HIGHWAY

SASKATOON—REPRESENTATIONS RESPECTING SECOND ROUTE

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): I should like to know whether the Minister of Public Works has had any representations from the city of Saskatoon in connection with the construction of a second trans-Canada highway, and in particular would he inform the house whether there have been any representations in connection with the construction of the highway as it affects the 25th street bridge?

Mr. Speaker: Would the hon. member place that question on the order paper?

AGRICULTURE

BUTTER OIL—ANNOUNCEMENT OF ADDITIONAL SALE

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to direct a question to the Minister of Agriculture arising out of several reports that there have been some significant recent sales of butter or butter oil out of government surplus stock. I wonder if he could inform the house and the dairy farmers as to the extent of these sales.

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I am sure it will be a matter of interest to all members of the house to know that progress has been made in the sale of the agricultural stabilization board surplus holdings of butter oil. The board, in its oil program, converted some 105 million pounds of butter into approximately 85 million pounds of butter oil. This was offered for export sale at 27 cents a pound to approved markets on November 1, 1963. From that date to the present some 20 million pounds had been sold on export markets.

I am pleased to announce that the board has now completed sales agreements with 11 Canadian firms for the disposal of an additional 50 million pounds on export markets. The bulk of these shipments are expected to be made during the next three or four months. While it is not considered to be in the best interests of the firms involved to disclose the terms and conditions of these contracts, all contracts involve a forfeitable performance deposit. Thus, in essence, the government's entire stock of butter oil, other than that which is considered necessary to service the domestic market, is at present committed for sale. This leaves the board with total butter and butter oil stocks of approximately 90 million pounds.

Obviously our butter situation is considerably improved from what it has been in the last few years. However, it would be premature to suggest that we have yet arrived at any permanent solution to the problems of the dairy industry. I think the experience of the dairy industry over the last few years indicates that some further adjustments will eventually have to be made in dairy programs if we are to arrive at a solution to the industry's problems. I do not want to suggest in any way that I think our producers are getting more help from the government than they deserve, but we do not want any of our programs to encourage conditions that just do not make economic sense.

Mr. Speaker: I think I should point out that under the rules I have been given, questions should be asked only in connection with matters of sufficient urgency that an immediate answer is required. In that sense I considered the question was of important general interest and permitted it, but after having heard the interesting but rather lengthy answer I feel I should have applied the rule at the beginning.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Is the minister in a position to say that the dairy policy he announced in April 1963 has produced the expected result, that is a saving of $6 million?

Mr. Hays: Mr. Speaker, I can assure you that while our policies are not doing all that we would like them to do, they are a great improvement over previous policies. The price of milk last year for cheese producers was higher than it has been since 1954.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I am sure Your Honour would not deny me the right to ask a question arising out of the rather slippery explanation that has been given by the hon. gentleman. Will he inform the house as to the price these Canadian companies will be paying for the 50 million pounds of butter oil?

Mr. Hays: I think I mentioned it in the statement. It is in excess of 27 cents a pound.

UNITED NATIONS

ESTABLISHMENT OF STAND-BY UNITS FOR PEACE FORCE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Can he inform the house what steps the government has taken along the lines of the lecture he delivered last night at Carleton University looking toward the establishment of stand-by units for a United Nations peace force?

Right Hon. L. B. Pearson (Prime Minister): The government is in the process of calling a meeting of representatives of the interested governments of the other countries. We have been in communication with certain governments, but I do not think I can go into detail now. We hope to have a meeting before long, and that is the first step in the process.

Mr. Knowles: May I ask a supplementary question. Where is it intended to hold that meeting?

Mr. Pearson: In Ottawa.

LABOUR CONDITIONS

INQUIRY AS TO STEPS TO DEAL WITH UNEMPLOYMENT

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put a question to the right hon. Prime Minister?

On the request of Mr. Marchand, president of "les Syndicats nationaux", does the government intend to convene as soon as possible a federal-provincial conference to examine steps to be taken to settle the terrifying problem of unemployment which is now threatening the Canadian economy?

[*Text*]

Mr. Speaker: Will the hon. member please put that question on the order paper.

PENSIONS

CANADA PLAN—REQUEST FOR REVISED WHITE PAPER

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): I have a question for the Minister of National Health and Welfare, but in her unavoidable absence I shall direct it to her parliamentary secretary. On April 22 the minister intimated that a revised white paper on the Canada pension plan would be made available to the house. My question is, can the house be advised now when this revised white paper is likely to be made available?

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): I shall take this question as notice and endeavour to have a reply for the hon. member next week.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO REPORT OF JUVENILE DELINQUENCY COMMITTEE

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I direct a question to the Minister of Justice. In view of the promise made last year by his predecessor that the long awaited report on juvenile delinquency would be brought forward for sure by April 1964, will the minister say whether this report will be brought down, and whether it will be available to all members in the very near future?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, there have been some difficulties in the way of obtaining completion of the report of juvenile delinquency. I might tell the hon. gentleman that I am presently taking the necessary steps to have all the material already collected dealt with, and I expect the report will be issued and tabled before the end of this year.

Mr. Bell: Might I ask if it has been decided that the report will be tabled and made available to hon. members?

Mr. Favreau: Well, Mr. Speaker, maybe I used the wrong word when I forecast the time, but I expect a report to be remitted to the minister before the end of this year.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. I would like to ask him whether there has been any further indication since yesterday from the temperamental and trigger happy premier of B.C. as to his plans and intentions with respect to providing recompense for the tidal wave disaster victims on the west coast.

Defence Committee

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Well, Mr. Speaker, I do not want to accept those adjectives. We have had a telegram indicating the amount of the loss and a request that we carry half of it in the sum of about $750,000. In other words the total loss will be about $1,563,000, or something of that nature. This will be discussed and some reply given, I think in the matter of the next few days.

THE MINISTRY

NATIONAL REVENUE—APPOINTMENT OF MINISTER

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, the question I have to ask is somewhat supplementary to the previous one and, if I may, I would like to direct it to the Prime Minister. In view of the interest in the country at the present time in the collection of taxes, does the Prime Minister intend to appoint a minister in charge of tax collection before June 22?

Right Hon. L. B. Pearson (Prime Minister): I answered that question yesterday, Mr. Speaker, and I have nothing to add to what I said then.

CANADIAN BROADCASTING CORPORATION

REPORTED CANCELLATION OF PROGRAM THROUGH PRESSURE OF ADVERTISER

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I would like to address a question to the Acting Secretary of State. Will the minister look into the serious charge levelled in today's *Globe and Mail* to the effect that a proposed, unsponsored C.B.C. television program, "The Good Life," has been scrapped as a result of pressure brought to bear on the C.B.C. by a certain advertiser?

Hon. J. W. Pickersgill (Acting Secretary of State): Mr. Speaker, I shall be glad to direct this to the attention of the C.B.C. and I am sure they will communicate with the Secretary of State.

DEFENCE

APPOINTMENT OF SPECIAL COMMITTEE

Hon. Paul Hellyer (Minister of National Defence) moved:

That a special committee be appointed to continue the consideration of matters relating to defence begun by the special committee at the past session and to report from time to time its observations and opinions thereon;

That the committee have power to send for persons, papers and records and to examine witnesses;

That it be empowered to adjourn from place to place;

That the minutes of the proceedings and evidence taken by the special committee at the past session be referred to the said committee and made a part of the records thereof; and

That the committee consist of 24 members to be designated by the house at a later date, and that standing order 67 (1) be suspended in relation thereto.

[Mr. Barnett.]

He said: Mr. Speaker, as set out on the order paper, the purpose of this resolution is to appoint a special committee on defence to continue the work started by a similar committee in the past session.

The house will recall that the resolution appointing the original committee was proposed by the Prime Minister on May 30, and the motion was agreed to by the house on June 7. The committee began its hearings on June 18, and by the time the interim report was tabled in the house a total of 45 meetings were held including 29 in Canada, two in the United States and 14 in Europe. In addition to travelling abroad the committee set a number of precedents, including hearing from senior service officers and individuals outside the government. The committee also received expert military and political advice here in Canada, in the United States and in Europe.

Personally I feel that the committee performed a very useful function. The members from all parties pursued their assignment in a very responsible manner in devoting themselves to the very complex problems of defence. Not only were the members of the committee made aware of the problems facing defence, but also members of the press and through them the public.

I might say that the government found the recommendations of the committee of great assistance and I think it was very rewarding, in a parliament of minorities, to have the members of the committee on defence adopt a non-partisan approach to their work. Certainly one result of this was that the calibre of the debate when the estimates of the Department of National Defence came before parliament in 1963 was of a much higher order than in previous years, due to the contribution made to the debate by individual members of the committee representing all political parties in the house.

The government has every confidence that the reconstitution of the committee called for

in this resolution will serve a very useful purpose, and I am hopeful that upon adoption of this motion the committee can begin its sittings very shortly.

I have already said that it is the intention of the government to refer the amendment to the National Defence Act, which we are to discuss later today, to the committee after completion of second reading. I understand, Mr. Speaker, that there is agreement to approve this motion, that we will have a general debate on defence on second reading of the bill to amend the National Defence Act, and that the debate on that bill will not be restricted to its immediate terms but will be allowed to cover the whole field of defence.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this is agreed so long as the house is perfectly clear with regard to the nature of the debate on second reading of the bill to amend the National Defence Act, namely that that debate may range over the whole field of defence including, if required and if deemed necessary, a discussion of the work of the defence committee last year, what it may do this year, the general policy of the government as outlined in the white paper, the situation with regard to defence at present, and things of that nature. If that is thoroughly understood then we are prepared to approve the setting up of the committee without any lengthy statement, unless the hon. member for Edmonton West, who served as vice chairman of that committee, might want to speak for a minute and a half.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, what has been said by the Minister of National Defence and by the hon. member for Winnipeg South Centre accords with our understanding of the arrangement made among the parties. If I may just confirm that arrangement in a sentence, providing it is understood that debate on second reading of Bill C-90 will be broad enough to include everything that might have been said in the debate on the setting up of this committee, we are prepared to approve this motion to set up the committee without debate.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, on the clear understanding of the views set out and recognized by the house, that there will be no curtailment of debate on the following bill, we are quite prepared to fit in with the general plan.

Mr. Hellyer: This arrangement is satisfactory to the government.

Motion agreed to.

National Defence Act

NATIONAL DEFENCE ACT

AMENDMENTS RESPECTING REPLACEMENT OF CHIEFS OF STAFF COMMITTEE

Hon. Paul Hellyer (Minister of National Defence) moved the second reading of Bill C-90, to amend the National Defence Act.

He said: The purpose of this bill is to implement one of the major recommendations included in the white paper on defence. Specifically, the bill provides for the replacement of the present positions of chairman of the chiefs of staff committee, chief of the naval staff, chief of the general staff and chief of the air staff by a single new position designated as chief of the defence staff. This change is the first and perhaps the most important move in the integration of the armed forces under a single defence staff.

At this point I should like to express my appreciation of the support given to this proposal by the Prime Minister and the government of Canada. The enthusiastic response has been most gratifying and is deeply appreciated. I should like in particular to thank my colleague the associate minister for his untiring assistance. In carrying, as he does, the main burden of the administrative load in the department he has contributed immeasurably to the work we have jointly undertaken. Without this support any major reorganization on the scale contemplated would not be possible.

The establishment of a single chief of defence staff will permit the reorganization of our armed forces on a functional basis. This will not only simplify procedures and permit the development of a more efficient fighting force, but it will also greatly facilitate the implementation of a long range, co-ordinated defence policy as set out in the white paper. In the absence of a unified defence staff the implementation of such a policy would be extremely difficult and, in my opinion, virtually impossible.

In considering the organization of the armed forces a number of options were studied. These included the status quo, the Glassco commission recommendations and the decision which was finally adopted, that is to say the complete integration of the forces commencing at the top with the integration of the command structure.

First in respect to the status quo, may I say there are at the present time six routes of information coming to the minister. Direct access is afforded to the chairman of the chiefs of staff on behalf of the chiefs of staff committee; to the chief of the naval staff, to the chief of the general staff, to the chief

of the air staff, to the chief of the defence research board and to the deputy minister. The minister is inadequately staffed to co-ordinate at his level and in his office the information coming from these several sources. Projects are not always co-ordinated into a single plan. It is in effect, in its present application, a system which is virtually unmanageable, and the minister is unable to exercise his constitutional authority adequately.

In considering alternatives which would permit the minister to exercise his responsibility effectively, the recommendation of the Glassco commission was considered. In essence the suggestion was that a number of support functions be transferred from the individual services to the chairman of the chiefs of staff for administration. This suggestion was given careful consideration because it is in line with procedures in other countries, and has long been put forward as a course which might be adopted in this country.

However, we came to the conclusion that this proposal would not likely result in a real reduction of manpower. On the contrary, it seemed to us it would probably result in a continuation and perhaps even an amplification of the committee system. If the chairman were given power to impose decisions made in these various areas on the individual services, then the real power of the individual chiefs of staff would be substantially diminished. If, on the other hand, he was not given power to impose decisions in those areas and the acceptance of his proposals depended on persuasion and the accommodation of views, then the committee system with all its inevitable delays and frustrations would remain. Based on experience both in Canada up to the present time and in other countries we came to the conclusion that this would not meet the two real needs as we see them; first of all a more effective organization and, second, a considerable reduction in duplication in headquarters.

The third alternative, which was the one finally adopted, was the integration of the armed forces into a single unit. This was decided on because it was considered to be the only solution likely to achieve those two important objectives (a) a more streamlined and effective system, and (b) reduced manpower due to reduction in duplications and increased efficiency in headquarters, command, training, logistics and support organizations.

At this point I should like to emphasize that I have no criticism of the men who have served their country in senior military positions. On the contrary, they have served Canada and the military organizations of which they were and are a part with courage, devotion and distinction. Man for man there are no better armed forces than ours, and we are proud of the men and women who serve us so well. The organization of our available forces can, however, be improved so as to provide greater effectiveness, and in this area responsibility for taking the initiative lies with the minister and the government. The constitutional authority and responsibility is clear, and if changes in organization are required it is the responsibility of the government to recommend them and to see that they are implemented. We have placed our recommendations before parliament and now seek the statutory amendments necessary to get on with the job. We have the backing of the great majority of the Canadian people, and the enthusiastic support of the men and women of the armed forces.

As I indicated, we believe that the proposed new organization will result not only in a more efficient and responsive service but that it will also permit substantial reductions in manpower in headquarters, training and other units. It is, of course, impossible to predict the exact extent of the savings because there is no experience on which to base our estimates. For the purposes of planning, however, we have guessed that it will be possible to reduce service requirements by approximately 10,000 without affecting our operational elements.

Mr. Lambert: Over all?

Mr. Hellyer: Over all. This estimate predicts a 20 per cent average saving in the 50,000 personnel employed in headquarters, regional headquarters, training and other support units. Of these we believe the largest saving can be effected at national defence headquarters. If we reach our goal we expect that the saving in dollars will amount to approximately $100 million annually, or $1 billion over a ten year period.

Mr. Churchill: May I ask the minister a question? I wonder if he is not incorrect in talking about a saving. The impression has got abroad that he is going to save $100 million from total expenditure, but all he is doing is transferring a certain reduction in one area to expenditure in another area.

Mr. Hellyer: I should be glad to clear up that point. First, we have saved $100 million and the defence estimates have been reduced

by that amount as compared with previous years. So there is a saving to the taxpayers of approximately that amount. There is, in addition to that, a $100 million a year saving which we are now talking about, which is a diversion from overhead costs to military equipment.

Mr. Churchill: Then let us not call it a saving.

Mr. Hellyer: This is a saving in the overhead establishment which should be available to be diverted for the acquisition of new equipment.

Mr. Lambert: Let us say "reduction".

Mr. Hellyer: If there is some word which would please my hon. friends more, I would be happy to use it.

Mr. Churchill: By saying "saving" you are confusing the public.

Mr. Hellyer: This reduction, or saving, will assist us in the difficult task of getting our defence expenditures back in balance. We must increase the proportion of funds available for new equipment if we are to have a viable and effective force in the years to come. The present proportion of about 14 per cent for equipment is unacceptably low and must be increased to something of the order of 25 per cent in the years ahead. Even this proportion is not high compared to other forces. The additional moneys available for equipment will not only permit us to keep our forces in better fighting shape; it will also have a beneficial effect on our Canadian defence industries. The advantage of a long range plan will permit them to plan more effectively and to assist us in meeting our equipment needs. Peaks and valleys of production will be evened out to the maximum extent possible, and the commercial and export aspects of defence requirements will be kept in mind in our planning.

I would like to say a word about the effects of the proposed reorganization on service personnel. First of all, as announced by the Associate Minister of National Defence this morning, we plan special benefits for those who will be retired in advance of their normal retirement age. This will be done as integration proceeds and as reductions occur in many branches of the armed forces, particularly in the support units. This will result in the necessity to retire some personnel. There is no question as to the loyalty, efficiency and faithful service of those who will be affected, but officers and men selected for premature retirement will be those for whom appropriate employment cannot be found within the reorganized defence force. Established positions will be eliminated when the functions now carried out by two or more individuals are amalgamated into one.

The government appreciates that the termination of service of an officer or man, through no fault of his own, may place him in a position of undue hardship. In recognition of this a special cash benefit will be provided to assist him to rehabilitate himself in civilian employment. The special gratuity is partial compensation for the loss of anticipated future earnings and reduced pension benefits. This special cash payment, which is subject to income tax, will be in addition to any normal leave or pension entitlement. The benefit will not apply to those who are released for reasons of misconduct or inefficiency, or who request their release.

The amount of the special cash benefit, to be paid in one lump sum, will increase with length of service up to a maximum of the equivalent of 10 months pay for those with 15½ or more years of service. It will be reduced progressively as normal retirement age is approached. Officers serving on short service commissions are in a special category. The period of time by which their service is shortened will be the basis for calculating their benefits.

In addition to this special cash gratuity, the government will propose to parliament that the present provision in the Canadian Forces Superannuation Act which provides a 5 per cent reduction in annuities for servicemen who have less than 20 years service but more than 10 years service be waived. This will be accomplished by the inclusion of an item in the next supplementary estimates of the Department of National Defence to obtain statutory authority for treasury board to direct payment of a full, immediate annuity to contributors under the act.

In so far as those who will continue to be required, Mr. Speaker—and this includes most of those now serving—there will be excellent career opportunities. I am confident that the reorganization of the Canadian armed forces will lead to greater opportunities for many of those who are now serving and for those entering the service now and in the future.

The main purpose of our program is to achieve a better balance between the combat forces and the supporting elements, and to streamline and modernize the management system. In the process there will be a reduction in over-all numbers. There will not, however, be any reduction of effectiveness

and efficiency, or any elimination of positions that contribute to the capability of the forces to perform their assigned roles.

In addition, Mr. Speaker, it will be necessary for us to continue to recruit new men. I think this is most important. The services have a continuing need for young men. Our armed forces are very much living organizations and require a constant infusion of new blood to keep them in prime condition. For those with ability and determination, the armed forces offer expanded career prospects and opportunities in the service of Canada and the cause of world peace. Therefore I urge hon. members to encourage young men to volunteer to serve their country in the armed forces.

While the amendments to the legislation before the house are not concerned with the civil aspects of the department, I wish to say something about the important subject of civilian control. As we stated in the white paper on defence, the responsibility of the minister to maintain an effective civilian control raises, in the words of the royal commission on government organization, "a need for a strong staff group which is essentially civilian in character, outside the framework of the armed forces". This civilian staff group is supplied through the deputy minister and his permanent staff. There is no need to change the legislation relating to the deputy minister. The National Defence Act now provides, under section 7, for the appointment of a deputy minister. As in the case of deputy ministers of other departments, this position is defined under the Civil Service Act as the "deputy head" of the department. Under section 31 of the Interpretation Act, he is the lawful deputy of the minister and can do any act or thing which the minister is empowered to do under any act or regulations.

With the reorganization of the defence staff, the problems of civil control will be very much simplified. The minister and the deputy minister and his staff will be dealing with one defence staff under a single commander. It will no longer be necessary to deal with three defence staffs, which has necessarily resulted in a good deal of the resources and energies of the civil staffs being applied to the problems of co-ordination. Civil control, as exercised by the civil staffs under the deputy minister either directly or through advice to the minister, cannot be exercised in a vacuum. It is essential that the matters over which the civil staff are to exercise control or provide advice do, in fact, come before them. With three organizations, each of which has direct access to the minister, it is much more difficult to ensure that this does happen than it will be with a single defence staff. The changes proposed in the military organization in themselves will therefore facilitate the strengthening of civilian control.

In general the staff group under the deputy minister has a responsibility to the minister to see that the work of the department in all areas is carried out efficiently and economically. In other words it is their responsibility to see that the resources, manpower, materiel and money available for military purposes are used to the best advantage. To achieve this it is essential that there be a strong civil staff in the defence department outside the military chain of command for analysing and reviewing military requirements and the use of resources made available for defence. This requires a civil organization capable of reviewing and advising on defence estimates and programs.

Some changes will be made in the organization of civil staffs. As announced in the defence white paper, a program review system will be established which will provide for systematic review of all programs on a comprehensive basis covering a period of at least five years into the future. The object of this system will be to ensure that the programs being presented for the consideration of the minister, and subsequent changes to them, have been thoroughly analysed in terms of resources required to accomplish them, optional means of meeting the objectives, and the relationship to the total defence effort. This system is now in the process of being installed in the department but it will be perhaps a year before it is fully in operation. It will be necessary to some degree to reorganize civil staffs to handle adequately these new management arrangements.

In seeking to build a strong civil staff group to assist the minister in the control and management of the armed forces, I have clearly in mind the need at the same time for exercising care that the civil staffs do not assume functions which are necessary to the military staffs in order that they can efficiently control their military forces and carry out their military responsibilities. Both civil and military staffs have important roles to play and responsibilities to assume, and it is essential to efficient and effective operation that they work closely together and in harmony and understanding. I am glad to say that this is the case in the defence department today. I am certain that it will continue in the future and will, I expect, be enhanced as a result of the reorganization.

On the subject of civilian control I should mention the role of defence council. Defence council is chaired by myself or the associate minister. Its membership has included the deputy minister, the associate deputy minister, the chairman, chiefs of staff, the three chiefs of staff, and the chairman, defence research board. This council has been largely concerned with administrative policies in the department, and in the last several years has tended to meet infrequently and to exercise its influence in a limited area of defence activity.

As part of the reorganization it is our intention that defence council will become the departmental policy board at which all important policy matters relating to defence are considered, with a full interchange of views before decisions are taken. The exact membership of this council following reorganization has not yet been finally determined, but it will include senior civil and military advisers to the minister. In order to permit it to do its work effectively the secretariat of the defence council will be provided by the deputy minister's staff. I am confident that this system will permit an effective exercise of civilian control and, equally important, civilian direction in the carrying out of defence policy as laid down by the government.

Mr. Churchill: Would the minister permit a question at this point. Would he go into a little more detail as to how that differs from the present arrangement?

Mr. Hellyer: Yes, Mr. Speaker. I really think it would be more appropriate to go into considerable detail once the bill has been referred to the committee, but the policy direction is that submissions and programs from the armed forces of Canada, after they have been analysed by civil staffs, will then be fully discussed by the senior military and civilian advisers to the minister in defence council before they are approved. This has not been done in recent months, certainly not during the last year, and I understand not in the years immediately preceding also.

Finally may I say, Mr. Speaker, that I think Canada has a unique opportunity, and consequently responsibility. The proposals put forward in the bill have been the subject of general discussions for many years and have been supported by many of the greatest military leaders of our generation. Their implementation would not be possible in some other countries at this time. In Canada, however, it is possible to proceed. We have often pioneered with new ideas in war and peace, and having proved their effectiveness set a pattern for future development. In the integration of our armed forces once again we are giving leadership in a very important area. As Canadians we have an inescapable responsibility to proceed with the plan and demonstrate its effectiveness.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I must say at the outset of my remarks that I find the minister has for once stuck pretty well to the rules of relevance, because he has limited his remarks precisely to the reorganization of the command structure of the forces. I think this was hardly in keeping with the spirit and the requirements of the house to discuss as a whole defence matters at this time. It is true that this could have been done on the resolution which the house approved a few moments ago, but I felt that the minister would have welcomed the opportunity to give us a general statement on defence rather than wait until his estimates appear, whenever that may be—some time in October or November, perhaps; we do not know.

I would also have appreciated an indication at this time of some of the observations he would have made regarding the interim report of the committee on defence. After all, the house has received no indication from the government as to its reaction to the white paper, other than in very general terms. The very general terms are, shall we say, the least courtesy which the minister could have offered. I may say that as a member of the defence committee I share his view about the report, that the work of the committee provided the members of this house with the opportunity to become much more familiar with defence matters and to approach the work of this committee in a real, non-partisan manner and from a co-operative point of view.

If I may say so, as a member of the steering committee and as vice chairman of that committee I felt that we had developed a very fine spirit. My chagrin, however, has been that the government did not follow its good example of last year in setting up this committee as early in the session as possible. Seeing that the session commenced on February 18 I think it would have been quite conceivable to have set this committee up by March 15 and to have sent it along its way. I know that a goodly number of the members of the committee and also other members of this house wondered why this was not done. At least two months of valuable time has been lost. It may have been, of course, a question of timing, with the minister wanting to put forward his white paper first before

the committee sat again; but I think a tactical error was made in this regard.

I agree with the minister's words that his white paper is but a charter or a guide, not a detailed and final blueprint. In commenting on the white paper today I am sure the house would not expect me to provide a counter-blueprint. It is not of the type with which I seem to remember the minister in days past coming to the house, and which got a rather premature exposure much to his embarrassment. I am not going to go into that particular plan of 1959 or 1960, but from what I can recall certain things are now appearing which have some reference to that blueprint. So far as unification of the forces is concerned, at that time the proposal by the minister when he was in opposition was the appointment of a commander in chief.

In dealing with the matter of the appointment of a commander in chief I would refer the minister to the recommendations of the special committee of the house. The committee indicated that it wished to look into this matter further, and in this regard I think the minister might have been wiser if the committee had been permitted to sit earlier to look into this matter. I am most interested myself in this particular aspect. There are many people who have given this matter careful study whom I would have liked to have appear before the committee to give us the benefit of their years of study and their observations in this regard. In particular I might mention one man whom I have mentioned before, Mr. Richard S. Malone, who has written some very fine articles. I may not necessarily be in full agreement with him, but he has made a very careful study of the whole picture of the command structure of our armed forces.

I think it is here we have to start, and in my opinion it is unfortunate that there has come into the picture now the idea of the integration of the forces. We have started with unification of command, and the white paper speaks of this as the first step in integration. Here again I believe the minister has been premature, because the matter of integration of the forces is an entirely different thing from the unification of command. I would have been much more satisfied as to the wisdom of the government's decision if we had had the time and opportunity to look at the ramifications of integration in detail. There is a great deal more involved in integration of the forces than there is in the unification of command under one commander in chief.

I am wondering just where the minister has received his advice in this regard. True enough his service chiefs will have assisted him, but I should like to know where he got his underlying motivation, inspiration and justification for integration of the forces; because it is quite clearly stated in the white paper that this is the aim. I would have liked to see a great deal more evidence on the pros and cons of integration. It is not sufficient for him to say "We think in our wisdom that we should integrate". We want to know the reasons why there should be integration. We want to be able to discuss them.

True enough, an opportunity will come when the committee sits, because undoubtedly it will look into the white paper in great detail. But already the government is committed to this course of action, and surely we are not going to have the Minister of National Defence following the practice that has taken place in other sectors of the government in the last year of taking a major step forward and then having to back away from it. Surely we have a right to expect something else better than that.

The minister has taken a major step, but he has not disclosed to members of the house any really valid reasons. It is easy for him to say that it is in order to achieve efficiency and to streamline the operations, but that is not sufficient. We will have to have something much more than that. Again, I would have liked a little more detail as to the progress that has been made in this regard. The move was announced some time ago. Undoubtedly there has been a good deal of planning and there may have been some steps taken to this end. Can the minister give us a general timetable for the next few months as to how this will take place?

I have heard that the date of July 1, 1967 has been set as a sort of D-day for the completion of this program, or is it going to be U-day? Some people are saying that by this date everybody will be wearing a common uniform. We will leave that minor detail aside, but we would like to have more detail as to the programming in so far as unification is concerned.

The minister has indicated that he feels it will mean an over-all reduction of 10,000 service personnel. Will it also mean—I trust we can place this interpretation on his remarks—a reduction in the number of civilian personnel who are an integral part of national defence? We know there is and has been a very large civil staff, but if this move will merely mean that 10,000 people will put on their bowler hats in order to carry out the same jobs in mufti then there is little to be

gained by this transfer. It is true that the minister has indicated the move will mean a 20 per cent reduction in personnel on the administrative side at national defence headquarters, in certain of the supply units and so on, but this $100 million per annum reduction in what I would call the housekeeping or overhead costs will naturally have to be transferred for use in the purchase and maintenance of equipment.

The minister has not made a great discovery in this regard. I remember one of his predecessors, General Pearkes, expressing his concern at the time we were having special committees on defence expenditures. The service people who advised the former minister were quite correct. The actual forecasts and behaviour with respect to the proportion of defence expenditures have worked out as they forecast back in 1959 and 1960. There is nothing new there, and there has been no major discovery. The same problem is also present in the British, the Danish, the German and the French forces. Certainly this is always one problem. How much is it going to cost to house, pay, feed and generally cover the overhead of this outfit? I like to call these the general housekeeping expenses. Then we have to ascertain how much is left over to buy equipment.

There is a tendency for housekeeping to become more costly. I suppose it is like any domestic operation. As husbands we find that our domestic operations seem to cost more year by year, and there may be a tendency in this regard as well in national defence. The minister did mention certain things about retirement. I am going to leave this matter of unification with the criticisms I have made. I believe the plan has been disclosed prematurely without study by the committee on defence. I believe we could have had the advice of people outside of the minister's present advisers in this regard. I think we could have derived a good deal of benefit as a result of hearing all these views.

I fully agree with the fact that there should be unification. I understand that as a logical step. There is, however, one side of the matter that has left me somewhat puzzled; that, is the extent of the civilian control from the minister's own side of the department. Where is the independent yardstick to be applied by the Minister of National Defence? This has been a problem in the past, and unless I have misunderstood the minister's remarks I think this problem will exist in the future. It is true that there is to be the defence council. However, is it to be an independent body under the direct control of the minister which can apply that yardstick without having a responsibility for administration within the department? There is the minister, the associate minister and the deputy minister, but I am not too sure about the composition of the remainder of the defence council.

In order to really assess the situation I should like to see an organization that could give the minister independent advice. Witnesses before the defence committee indicated they thought that the commander in chief should be an adviser to the minister and not responsible for the administration of the armed services. It is true this does raise one question; how can you advise if you have not got responsibility? I will admit that this raises a problem, but where is the independent advice for the minister? After all the minister must then go to cabinet, and where is that independent advice for cabinet? This has always puzzled me; where is this independent advice? If anything is to be checked out, if anything is to be rejected or modified, is it done by intuition? Is it done for political considerations? Any time there has been a modification it has been given the mantle of a political modification, and I think that is wrong.

I know the minister is feeling his way in this regard. However, I suggest to him very strongly that there should be this independent, shall we say, control. The minister says it is part of the function of the civilian staff to provide some of the control, and the white paper mentions defence programming. To whom are these people responsible? Are they responsible directly to the minister without any intermediate responsibility through the deputy minister?

I am asking these questions because these are the things we should be asking in the defence committee before parliament is committed to this program. Unless the minister is able to give us these answers, I think he has taken a step without looking at a lot of these potential problems. Certainly they exist. These questions pop up in the minds of the members of the defence committee. I believe the minister had better be prepared to give us a full explanation as to how this is going to work; otherwise I believe all we will have had is a great shuffling, "plus ça change, plus c'est la même chose".

I think the minister is aware of the problem I have put to him in this regard. How are you going to test the advice that is given to you? After all, the minister is not a professional military man. Usually the

ministers are not. I think perhaps it is far better that he should not be; otherwise he is like the physician who is prescribing for himself, and that is not good at all. Let us find out how the minister is going to be be able to test and weigh the advice that he gets from within the service. I have discussed this with senior officers and they agree that there must be some form of examination, otherwise you may be so blinded by the justice of your own cause that you fail to see some of the difficulties. I hope that within this framework the minister is able to provide us with answers to these criticisms I have mentioned.

As a consequence of this reorganization the minister mentioned retirements. I suppose this is partly the answer the associate minister indicated would be given to the services today. What happens to those people who are being prematurely retired? They will be given a certain cash gratuity which is subject to tax. This is to compensate them in some way for the interruption of their military career and, presumably, the reduction in pension benefits they will enjoy under the pension act by reason of their shortened service. There seems to be one major restriction, that the cash benefit will not be paid to any service personnel who request premature retirement at this time.

I am wondering why that is so. I would have thought there were a number of senior officers and perhaps senior N.C.O.'s who may be two or three years away from normal retirement who could help the minister in his desire to reduce the forces by requesting that they go out now rather than wait out their time. After all, if they do so it must mean that they have an opportunity to resettle themselves in civilian life without too much dislocation.

I think in appropriate cases this should be permitted. After all, we have seen it in many another type of service in this country and other countries, in order to loosen out the top. I think the minister is faced with the problem of having a great number of senior officers, people of a certain age who have seen service in world war II. I believe there should be a loosening out in this, shall we say, rank structure. Why not give them the inducement to get out now if they have only a matter of a couple of years or three years to go to pension age, and let there be a waiver of the disabilities under service superannuation.

I now turn to other matters which the minister did not touch upon, but on which he has taken a lot of action since defence was last considered in this house. The first is the militia, and I shall not go into that question in detail. Some of my colleagues will speak on it, but my particular interest concerns why the statement was made in respect to the reduction and reorganization of the militia when the defence committee had already set it aside as a special problem for examination. The committee's work in this regard would have assisted the minister.

The committee did plenty of work to assist the minister in what was probably the most urgent area, Europe. It was on that particular point that the committee concentrated its efforts, got the greatest amount of advice and offered the most numerous recommendations. I am glad to see the minister acceded in part to those recommendations, and I believe that strengthens my argument that it would have been better to withhold an announcement so far as the militia were concerned until the committee had dealt with that problem.

I can assure the minister there is a great deal of unrest in the ranks of the militia, unrest caused by uncertainty. If the minister wanted to carry out a reorganization of the militia, and I think one was due, it would have been preferable for him to set up the committee under Brigadier Suttie to examine the problem before making an announcement regarding what was to be done.

The minister made a grand announcement about the militia and the naval and air force reserves. Orders were issued that premises had to be vacated by certain dates, and no provision was made for the training of cadets. Because of that the orders were deferred, a review was made of the premises, and they are to be kept in operation until the end of June, when it is expected that we will get the report from the minister's committee or commission in regard to the militia. But why was there this sort of grandiloquent announcement and then withdrawals from it? The militia are most unhappy. This has left them up in the air.

What does the minister think about the survival operations training in the militia? Where does this fit in? The white paper has indicated that survival training and operations must be subject to the location of an anti-I.C.B.M. deployment, when and if that comes, and that no decision can be reached in the interim on survival operations. This is a rather unhappy state of affairs, and again it would have been far better to wait to see what the committee would bring forth, had it sat early enough this year to have gone into the question of the militia, survival training and survival operations.

I do not know how far the minister has gone in contacting the militia to get their reactions to this, but I can tell him that they are very unhappy. What about all our national survival and radiation control projects? Certain construction projects have gone forward and some have been interrupted. Officers have been posted as radiation control officers, but once they get that posting they have nothing to do. The whole thing is in a process of uncertainty. For the life of me I cannot understand why some of these decisions were announced in the manner they were and then the whole thing left hanging. Whether it was because of a certain desire to impress somebody that something was being done, I do not know. I do not even know that it has yet shown it is going to save money, because the cut-back of so many thousands in the militia is only a cut-back on paper, as the men are not there, and that means there is no saving of money. It is only when you cut back the effective strength that you are going to save money.

One of the things I hope the minister will be able to discuss with us was raised by the defence committee, with regard to the complexities introduced into his department by the existence of two ministers. I know this is a delicate matter and perhaps the minister does not want to step on the toes of the associate minister, but I ask is it absolutely necessary to have two ministers within the framework of the Department of National Defence? The administration of the department is great, but I would think it is still possible to organize that department on the basis of one minister and on one minister alone. I am not suggesting that the associate minister wishes to fire the Minister of National Defence or vice versa, but this is something fundamental, particularly when we are going to get a reorganization on a functional basis within the whole department.

Before terminating my remarks, Mr. Speaker, I would like to join the minister in paying a tribute to the men and women in the armed services.

They have served well. A lot of them will no longer be needed. But I can assure this committee that many senior officers with whom I have discussed this question over the past year felt there was a need for change, a change in approach. Obviously there are likely to be serious dislocations, but I believe anyone who approached this question in a spirit of calmness and objectivity would realize that some changes were necessary in the Department of National Defence. Certainly changes were due with regard to some roles, and I will limit myself today to this particular point. I could cover a wide spectrum as far as Europe is concerned. I could deal with the militia in greater detail. I should certainly like to examine the role of our troops in Europe. But I will leave these matters to some of my colleagues who served on the defence committee and took part in the examination of those subjects.

I hope the minister in his closing statement will furnish us with much more information. I have tried to remain strictly relevant to the subject today although a wide open debate is permitted. It is for this reason that I am not touching on certain of the subjects I have mentioned. The contents of this bill are to be referred to the committee on defence, but here again there is a difficulty. The minister naturally wishes to go forward. He is asking us to go ahead right now. The committee on defence could say "We will leave this bill to the end." However, I do not think the minister would want that to happen. I would caution him, however, that I do not think the bill need come out of the committee very quickly. I say this because the measure has so many ramifications which will need to be examined. As long as the minister is reasonably patient with us, this examination can be carried out. As long as he does not want the bill back, say, in two weeks from now, the committee will be able to carry out its task.

I should like to know what deadline he has in mind as far as this proposal is concerned. I think we must be very careful about this, because the legislation now before us is the foundation of the whole structure and if we go wrong at this point we are likely to go wrong at many others. I for one would have preferred, at the present time, to have examined something else in the committee, but now the minister has forced our hands and I am a little unhappy about it.

There are others who wish to speak on this subject as well as on other aspects of defence. I had hoped the minister would give us a much fuller statement on defence matters generally than he did, because it is several months since he gave a report on these matters to the house and to the country.

Mr. Andrew Brewin (Greenwood): We in this party welcome the reappointment of the special committee on defence. The committee, as its own report shows, was well aware that it only scratched the surface in its investigation of the matters committed to it. In fact the report lists a whole series of subjects which in the opinion of the committee require further study.

The very first recommendation of the committee was that it be reappointed early in the session. I must say I hope it was just an oversight or accident, rather than a reflection of the seriousness with which the government takes this committee, that in fact the committee is not being reconstituted until well into the month of May. I think members of the committee all feel that the committee could do a more useful job if it were sitting more or less continuously while parliament itself is in session.

In this party we shall support Bill C-90 on its second reading. In our view it provides a useful first step or piece of machinery looking to the integration of the armed forces; I think the hon. member for Edmonton West used some other expression, "concentration of command". Whatever it is, we think it is a useful first step. Indeed, in the light of the role which we see for our armed forces, a role I intend to discuss later, we believe that integration of staff, or integration of command, is not only advisable but absolutely essential. However, I should like to devote most of my remarks to expressing as clearly and vigorously as I can our disagreement—my disagreement—with the defence policy outlined in the government's white paper.

May I call it one o'clock? I am beginning a new subject.

Mr. Deputy Speaker: Is it agreed that I call it one o'clock?

Some hon. Members: One o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Brewin: Mr. Speaker, when I ceased speaking at one o'clock I had just explained that I intended to use the opportunity presented by this debate to say as clearly and vigorously as I could that we in this party disagree with a great deal of the defence policy outlined in the government's white paper. When the right hon. Prime Minister (Mr. Pearson) made his famous speech in Scarborough in January, 1963, he said that his party felt bound to honour the commitments made by the previous government to acquire tactical nuclear warheads for our army brigade in Europe and for the strike reconnaissance squadrons stationed in Europe, as well as for the Voodoos and Bomarc missiles attached to NORAD. At the same time, however, he promised a thorough examination of the whole basis of Canadian defence policy. I would like to quote his words on that occasion. This is the Scarborough speech of January 12, 1963, in which he said:

> The government should re-examine at once the whole basis of Canadian defence policy. In particular it should discuss with the United States and with NATO a role for Canada in continental and collective defence which would be more realistic and effective for Canada than the present one.
>
> This examination would be concerned, among other things, with the necessity of building up NATO's conventional forces and the part Canada could play in this.

A little later he said:

> In the full re-examination of defence policy, and in which all parties could participate through a defence committee of the House of Commons, a Liberal government would be guided by the following considerations:

I will not read all the considerations, but one of them was this:

> Our financial resources are limited. Therefore we should be careful to see that our defence dollars are spent sensibly and economically, avoiding commitments which require expensive equipment that is, or soon will be obsolete; and activities that are, or soon will be, meaningless.

Later, if I am not mistaken, I heard the Prime Minister say in this house that the tactical nuclear commitment that he said had been made by the previous government was, in his opinion, a mistake. The Minister of National Defence (Mr. Hellyer) himself when in opposition wrote an article which was published on January 25, 1963 in which he explained the defence policy of the Liberal government. This article was in a paper called *The Varsity Weekend Review*, and in it, as one might expect, the minister supported the stand taken by the Prime Minister at Scarborough. He added these words, however:

> One of the questions which bothers many sincere people is this: Will not the fulfilment of our commitments now make it impossible for us to pursue anything but a nuclear role in the future? The answer in my opinion is a resounding no.
>
> In the future we will be able to adopt the policy which we think is most in keeping with our national objectives. Once the policy has been agreed on, however, we will be expected to fulfil it without equivocation.

Then he said:

> The other question people are asking is why we bother to fulfil our commitments when we intend to negotiate new ones in due course.

He goes on to explain that:

> Only in this way can we earn again the right to speak forcefully in the alliance. Second, renegotiation implies consent of our allies, and when agreement has been reached the implementation of a new policy cannot be achieved at once—it is physically impossible. It will require, at best, several months for a new government to adopt a sound, long range policy and present it to our allies for

concurrence. It will take several years to implement the new agreed policy within the limitations of orderliness and a reasonable level of defence expenditures. In other words, by the time a new policy could be implemented in full our present commitments would be honoured in full, and the equipment we now have would have served its useful life.

Consistently with those two pronouncements by the Prime Minister and the Minister of National Defence, we in the defence committee, the members of the house, and indeed the Canadian public have heard from time to time about this proposed re-examination of Canada's defence role. We were led to expect that out of the white paper would emerge, I think it was called a bold, new policy for Canada that would set a new course for Canada's defence posture for a decade. It is our view, Mr. Speaker, that the mountains have laboured and produced a mouse. The white paper contains some sensible and useful observations and a few good suggestions as to the machinery, but when it comes to the re-examination of Canada's role, the white paper evades the issue. It calls for nothing more than a continuance of policies based on a strategy which in our opinion is obsolete, provocative and dangerous.

The white paper has had a very good press. I suspect the reason for this is that many of our editorial writers and commentators seem to know little and care less about the problem of defence. I do not expect to gain any particular popularity in those circles by saying this, but the facts speak for themselves. The general public has been led to believe that the integration of the services which is proposed by the white paper and which is partially implemented, or perhaps a better word would be foreshadowed, by the bill before the house will result in substantial reductions of the defence budget. Indeed, in my own home town we saw screaming headlines in the newspapers the day the white paper was announced declaring a $100 million cut in defence expenses. In all fairness the white paper does not pretend to say any such thing. Page 19 is very much more modest. It says this:

Thus, integration will result in a substantial reduction of manpower strength in headquarters, training and related establishments, along with other operating and maintenance costs. The total savings to be effected as a result of such reductions will make available funds for capital equipment purchases, and eventually make possible more equitable distribution of the defence dollar between equipment and housekeeping costs. Sufficient savings should accrue from unification to permit a goal of 25 per cent of the budget to be devoted to capital equipment being realized in the years ahead.

The goal is, therefore, that 25 per cent of the expenditures should be devoted to capital equipment. But the special committee on defence—and I assume the information they had was accurate—makes this statement in paragraph 39 of its report:

Evidence presented to the committee shows that approximately 77 per cent of Canada's total defence budget, 1963-1964, is allocated to the payment of salaries and to expenditures concerning maintenance and operations, while only 23 per cent of the budget is for new equipment.

I do not know whether the phrase "new equipment" as used there is the same matter which is referred to as "capital equipment" in the white paper, but if it is you will notice, Mr. Speaker, that the aim of the white paper is to achieve a shift from 23 per cent to 25 per cent. While that is a laudable, worth-while objective, the size of the change is not very remarkable.

A close examination of the white paper indicates that if—and I emphasize the word if—its recommendations are carried out it will involve a substantial addition to present defence expenditures. The white paper proposes a series of what it calls major expenditures and these are new expenditures to be made largely in the next few years. Page 24 of the white paper says:

On the basis of this assessment, major expenditures in the next few years will be designed to:

(a) re-equip the army as a mobile force;
(b) provide an adequate air and sea lift for its immediate deployment in an emergency;
(c) acquire tactical aircraft;
(d) maintain a relatively constant improvement of maritime anti-submarine capability.

Those are praiseworthy objectives and I am not opposing them in any way, but I do say that if we continue our former commitments and then add these new expenditures which are proposed in the white paper we shall be adding to the burden of taxation of the Canadian people in regard to defence rather than reducing it. And this will be at a time when the responsible leaders of most of the other major countries of the world are in fact reducing their expenditure on defence.

I know the minister confined himself to the bill, but he did not touch on what is the major problem facing Canada in the matter of defence, and that is that we are in my view faced with a choice of roles in the field of defence. I think it is the tragedy of the white paper, and the weakness of the policy of this government, that no choice is made between the options but that the government seeks to do both things at the same time. One option, as I see it, is to go on doing just what we have done before, that is

maintaining an army brigade and air squadrons in Europe armed with tactical nuclear weapons. The other option is to concentrate on a highly mobile conventional force which would be available quickly for intervention roles in any part of the world, and on the periphery of NATO, if you like, where according to what we were told in the defence committee the danger is greatest, or for use as United Nations forces to help put out brush fire wars and to stop them expanding into major conflicts, and perhaps into nuclear disasters.

The white paper accepts neither of these options. It attempts to sit on both stools at the same time. As I said in the budget debate, it makes overtures to the new love and at the same time retains its commitments to the old. This party, Mr. Speaker, believes that the time has come for Canada to choose clearly and unequivocally a particular role, and we believe that that role could be the conventional non-nuclear, highly mobile intervention role to provide such forces as United Nations peace keeping activities may require and also as the alliance may require to deal with minor conflicts which might break out in Europe.

The role which I have suggested is not my idea or the idea of this party. It was suggested as being the suitable role for Canada in the special committee on defence, the suggestion being made by two very distinguished Canadian soldiers, both former chiefs of staff, General Charles Foulkes and Lieutenant-General Guy Simonds. I should like to read what Lieutenant-General Simonds said first of all, as reported at page 439 of the committee report:

> I believe that a role which is suited to a country of our size, and having regard to the financial burdens possible to be borne over a lengthy term, would be a tri-service force whose main objective was peace keeping. I believe its organization should be very much like that of the United States marine corps which is a mobile force complete with all its ancillaries and able to meet what are commonly called brush fire situations.

Then General Foulkes, in the course of his evidence before the special committee on defence said this, as reported at page 507:

> This suggested rearrangement would eventually concentrate the Canadian defence effort into two major activities:
>
> (a) The operation of a mobile ready reserve available immediately for NATO or to meet a UN task anywhere in the world or maintain our sovereignty in the Arctic.
>
> (b) Antisubmarine operations in the Atlantic-Pacific and perhaps in the Arctic.

I should like to make it clear, having read only two brief passages from the advice given the committee by these gentlemen, that they in turn make it perfectly clear that they were not thinking of this role which they described in the words I have read as an addition to what we are doing at the present time. They were suggesting—and I suggest it is the only rational suggestion—that it be an alternative to what we are doing at this moment.

[Mr. Brewin.]

If we plan, as the white paper clearly does, to keep up the contribution of a brigade in the forward defence of Europe, if we plan to maintain our air force squadrons in a strike reconnaissance role in Europe—I believe some squadrons are merely used for reconnaissance, but by and large the main role is strike reconnaissance—and if we also intend to maintain a small intervention force and an antisubmarine role for our navy, then the integration talked about will be virtually meaningless. If, on the other hand, we concentrate on an intervention role, integration would be not only sensible, it would be inevitable.

The New Democratic party firmly rejects the present government's policy of continuing the old obsolete policy of taking part in a strategy that relies upon tactical nuclear weapons, or a tactical nuclear response to any act of aggression or disturbance in Europe. The white paper does refer to the importance of peace keeping activities, and I must say that it takes a slight step in the right direction. It proposes that the two brigades in Canada at the present time, assigned to a reserve role for NATO, should, in the words of the white paper, "be re-equipped as a mobile force . . . to permit effective deployment in circumstances ranging from service in the European theatre to the United States peace keeping operations".

At present, Mr. Speaker, as I imagine most of the members of the house know, these brigades lack transport and could not reach the scene of any likely hostilities until long after the hostilities were over, so this proposal is definitely a step in the right direction. But unfortunately it is accompanied in the white paper by a firm decision to stick to the present role played by our air force and army in Europe. I suggest quite seriously to the government that they will find it impossible to do both or to do both adequately. I am afraid too that they will choose the line of least resistance, stick to the old and obsolete role, or carry on the new intervention role in a halfhearted inadequate manner.

I have referred to our present contribution to NATO as being part of a strategy that is obsolete, provocative and dangerous, one that could, indeed, be disastrous. There is very little discussion of this matter in the white paper although I detect, perhaps wrongly, a certain coolness toward the role we are playing. We are going to phase out of it eventually. I think one can read that between the lines. At page 12 of the white paper there is a reference to some of the basic considerations which should affect our policy at the present time. The white paper has this to say:

> The period 1945-1963 has been characterized by rapid changes in strategic concepts owing mainly to revolutionary developments in military technology and in political circumstances. This has led to the obsolescence of strategic concepts and of military equipment. Difficult adjustments have been called for on the part of all nations. It is not in Canada alone that there are differences of opinion in regard to strategy. In the alliance as a whole there is a wide range of views.

Those statements are perfectly correct but unfortunately they are not followed up in the white paper. If the house will bear with me I will try to explain briefly why I say that our present strategic role in NATO is not only wrong but dangerous. The house will be aware that in 1954 the American secretary of state, Mr. John Foster Dulles, articulated what was known as the doctrine of massive retaliation, that is to say, the use of the threat to exploit the American nuclear monopoly in order to deter even the most minor acts of aggression that might take place in Europe. This doctrine became obsolete almost before it was announced as its basis, which was the American monopoly of strategic nuclear power, ceased to exist.

When it became evident that any nuclear exchange meant mutual suicide, the threat of the nuclear deterrent to meet a relatively minor crisis became quite incredible except perhaps in the remote circumstances of an all-out attack on Europe. This doctrine was replaced by the doctrine of limited war. This doctrine envisaged that NATO troops in Europe should respond to any aggressive act in Europe with tactical nuclear weapons. This doctrine was the basis for the arrangements made by the NATO council in 1958 for the arming of NATO forces in Europe with tactical nuclear weapons. It was the basis for the commitment made at that time which the present government felt obliged to carry out, and has in fact recently carried out, with the result that our brigades in Europe are armed with Honest John rockets with nuclear warheads, and our air force squadron in Europe is equipped with nuclear weapons to carry out their strike reconnaissance role 300 or 400 miles behind the front lines.

As a result of this doctrine the forces of NATO and the NATO allies in Europe have been fully supplied with tactical nuclear weapons integrated into the smaller units and, indeed, Mr. McNamara, in his famous speech in New York in October or November of last year, said that the United States and its allies have established a marked superiority in tactical nuclear weapons over those possessed by Soviet forces. He said also that the explosive power of the tactical nuclear weapons in Europe was equivalent to 10,000 times the explosive power delivered on Hiroshima and Nagasaki to end the last world war.

Not only are the forces in Europe equipped with tactical nuclear weapons but they are trained to use them and our own brigade in Europe, as we saw, in taking part in tactical exercises, assumed as a matter of course that they would open up with tactical nuclear weapons in the relatively early stage of hostilities. But, Mr. Speaker, this is the point. In the meantime the doctrine of limited nuclear war and reliance on tactical nuclear weapons has come under severe criticism from a wide range of military analysts and critics. These second thoughts have been due to the fact that once again NATO does not have a monopoly of these weapons, and it has been due to a recognition of the immensely destructive effects of their use even on so-called tactical or military targets.

I am not sure whether this is accurate—the minister may know more about it—but I believe there was an operation known as Sagebrush in the southern United States where, after a week's warfare—mock warfare, fortunately—in which tactical nuclear weapons were used, the umpires were asked to assess the result, and their assessment of the result was that all of the troops and all of the civilians in three states of the union had lost their lives. It is not very remarkable that in these circumstances many of the people in Europe, for example, wonder whether being defended in a nuclear war in which they would all lose their lives is a particularly helpful form of defence.

In addition, the main criticism of the use of tactical nuclear weapons has been the threat of what is called escalation. Once you cross the threshold from conventional into nuclear arms, even on a small scale, then in all the excitement and circumstances of war you cannot keep the war limited. You have

a process of escalation which will then end in the suicide of a mutual strategic nuclear holocaust.

Another thing that has changed the views of those concerned with strategy is recognition of the fact that the myth of a vast Soviet superiority in conventional forces was just that, a myth. Mr. McNamara made that abundantly clear in his speech in November to which I have already made reference.

I suggest that our strike reconnaissance force is particularly dangerous because it is vulnerable. The incentive in a moment of rising tension for one side or the other to strike first is so great, they cannot wait to be sure whether or not war is coming. There is an ambiguous act that may mean war, and the advantage of destroying the other person on the ground before they have destroyed you is so great that the situation may well get out of control and an unintended nuclear holocaust would follow. Indeed, in my opinion that is the main danger of war at the present time. There is very little danger of anybody being so crazy as to attempt the suicidal course of a planned nuclear attack on Europe or North America. This is highly improbable unless we assume a degree of insanity that does not exist. What is less improbable is that, with this confrontation of massive power set up in Europe some incident will arise and tension will grow and the temptation to release a striking force first will be so powerful that the thing will not end until there is the destruction of our civilization.

We were told in Europe—when I say "we", I mean the defence committee—by the wisest observers, that the strike reconnaissance role should not be carried out by aircraft based on the ground because they are too vulnerable. It should be carried out by Polaris submarines which can afford to wait. There is no incentive to use them immediately for the purpose of averting a threat by striking first. If only submarines were used in this particular instance one could afford to wait to make sure the threat is unambiguous, and war is real. Even the ability to wait a few hours could make the difference between destruction of the world and non-destruction. Why do I say this? I say this because even a few hours many enable political wisdom and common sense to intervene and the disaster of all-out war would be prevented.

What does the white paper say about this strike reconnaissance role? It says nothing but that we should carry out what we have been doing. What does it say about our contribution to the front line? It says we should maintain our present role in Europe, but it points out no military reason for doing so at all. It alleges political necessity for doing so. It is suggested that if we pull out of the front line and cease carrying on this particular role, somehow or other we will undermine the whole idea of NATO and the morale of the European countries.

I want to make it very clear I am not advocating the total withdrawal of our forces from Europe. As I have said already, our intervention forces such as I have recommended, could play in my view a much more useful military role than the role we are playing at the present time. I agree it would be a mistake to do anything that might imply disunity or weakness in the western alliance. However, I suggest it would be a sign of good sense as well as strength if Canada and her NATO allies were to move towards easing the political tensions in Europe by ceasing to rely upon tactical nuclear weapons as an immediate response to any threat in Europe. I am not suggesting they should be thrown into the sea. I am suggesting they be withdrawn well behind the line, where they would not be used early in any conflict which arises. Canada's contribution to European defence is probably one two hundredth of the whole. I suggest it is a little ridiculous to suggest that, because we move out of a role that I suggest is dangerous and no longer necessary, somehow or other that would undermine the defence of Europe. After all, Europe is not what it was when we first sent our troops to NATO. Europe has grown stronger and grown more prosperous. She is perfectly well able to look after her own commitments although, as I say, the contribution of an intervention force to deal with problems which, according to the information we received were at the top end of the spectrum, the things most likely to happen, such as probes in Norway, in Denmark, in Turkey or Thrace—

Mr. Hellyer: May I ask the hon. member a question?

Mr. Brewin: Yes.

Mr. Hellyer: Would he explain to me the difference between his proposed intervention force and the force we have planned?

Mr. Brewin: I am saying you should have concentrated on this intervention force—

Mr. Hellyer: But what is the difference between your proposed force and ours?

Mr. Brewin: You have proposed in your white paper two brigades and you propose to equip them more effectively to play this intervention role. I think that is a good idea,

and I have said so. However, I do not believe you can do that and carry on this other role which at one time the minister himself thought should be re-examined, and of which I believe he was just as sceptical not very long ago as I am myself.

I must say that the white paper reminds me of the old case of Dr. Jekyll and Mr. Hyde, the person with the split personality. I do not know whether the minister claims authorship for the entire white paper, but I read somewhere in a newspaper that he was the main author. Certainly, he accepts responsibility. I find interspersed between sensible and perceptive observations, some good suggestions with weak and evasive conclusions. There is, however, one good thing about the white paper, and that is it makes a virtue out of flexibility. I hope the policy is sufficiently flexible to enable the government to move quickly towards the adoption of the sort of defence policy that we in this party recommend. We recommend a policy and role which is realistic and distinctively Canadian, a policy which we think is commensurate with our means and our aptitudes, a policy which is needed in the world, indeed in the alliance. We believe that this policy would be consistent with an international policy based upon the strengthening of the United Nations and its peace forces, a policy based upon the urgent need for making progress in disarmament, particularly in the difficult but dangerous confrontation in central Europe.

Lastly, we believe that this is a contribution that Canada is particularly fitted to make because it cannot be made in the same way by the major powers or the former colonial powers. We think that we can make it and we should concentrate on making a contribution to these peace keeping forces through strengthening the United Nations and eventually building in that way a world order. The government has moved in that direction and I commend them for it, but they have not had the courage to break off from the old things they were doing before. I venture to suggest that if you try to do both of these things together, you will find yourselves on the horns of a dilemma and one or the other will have to go. I am afraid that as long as you stick to these old commitments and do not boldly say they are obsolete or outdated, and we have to get out of them, then I do not think you are likely to make a really effective contribution to the peace keeping forces about which the Prime Minister himself has spoken so eloquently in his speeches and about which he has written in *Maclean's*.

I think that this white paper is a disappointment in that it promises us a bold new policy, but it advances haltingly and inadequately towards that policy. It fails to grasp the facts that it should have grasped. I hope the flexibility it promises means that the government is still open to give real reconsideration to the role that Canada should play in defence.

Mr. A. B. Patterson (Fraser Valley): We welcome this opportunity today to participate in the debate on this very important subject of national defence. It does not seem as though these opportunities present themselves too often. We do hope that in the course of this particular debate we shall be able to discuss a great many related subjects and we will not be confined to the particular measure that is actually before the house. My understanding is that a fairly wide range is permitted in this debate at the moment and I shall proceed, therefore, on that basis.

Many references have been made and are being made today to the apparent relaxation in international tension. We certainly hope that there is some basis for these particular statements. On the other hand, in view of all the considerations we dare not be lulled into any feeling of false security, so I believe the maintenance of a relatively small but efficient defence force is essential at the present time to remind any potential aggressor that we will not tolerate any violation of our national borders nor any infringement of our sovereignty. In addition to that responsibility of defending our own borders, we have the broader participation in the North American defence operations, and the still wider responsibility of making our contribution to the defence of the free world.

As has been pointed out, during the course of the last session the special committee on defence was established. I believe that generally people look upon the establishment of that committee as a very worth-while project. Many people who have given some attention to the matter would agree very satisfactory work was done by that committee during its sittings last year.

Just prior to Christmas the committee tabled a report, which had been prepared somewhat in haste and without having the time to complete a thorough study of all the relevant problems. Nevertheless, that report does make some definite recommendations. I do not want to take up the time of the house today by reading the list of the various items to which the committee felt attention must be given.

It is rather extensive, and there was no desire on the part of the committee to intimate in any sense that it had completed its assignment.

The general feeling among committee members was really that we had just commenced our studies, and the iterim report that was submitted contained just a few of the recommendations that were more or less obvious ones. With regard to a great many other important matters, the committee felt a lot of them were of such magnitude that it was not in a position to make any definite recommendations with regard to them. Therefore it submitted a list of these other matters which it decided should be considered when the committee was reconstituted.

As I say, the committee made certain specific recommendations, but having listened to the minister's statement today I wonder if he thinks they were very important. In fact the general attitude of the minister has been rather discouraging, so far as the work of the committee is concerned. He has given us his blessing. He has stated that every co-operation would be given the committee, but yet in a great many instances we have found that he has proceeded to forge ahead in certain fields that the committee felt should be thoroughly studied before any action was taken in them.

In other cases the minister has indicated somewhat of an impatience with the work of the committee, and that he had to move ahead himself because, in the final analysis, it is his responsibility to make important decisions. For that reason I wonder whether the minister places any great reliance upon the recommendations of the committee, or whether he has any practical appreciation of the work that the committee has been endeavouring to do.

The main item which is before us today is Bill C-90, which has to do with the unification of command. In paragraph 27 of its report the committee made mention of this particular matter as follows:

> In order to follow up the second chapter, further time is required to study the following matters:
> (a) Integration and co-ordination of the armed services.
> (b) Role of the militia and other reserves.
> (c) Compulsory military service.
> (d) Manpower management.
> (e) Service colleges.
> (f) Civil defence.

This shows the committee felt sufficient study had not been given to this particular matter of unification and integration, and it suggested that when the committee was reconstituted it would be able to give its time and attention to a more thorough study and analysis of this particular problem. But now we find the minister moving forward, introducing the amendment having to do with this matter, thus showing neglect and a repudiation of the position of the committee relative to such a study.

The minister made a statement and referred to the necessity for a long range, co-ordinated defence policy. He stated that the moves that were anticipated through the introduction of this amendment were just part of this long range, co-ordinated defence policy. We certainly hope the time has arrived when we will have a co-ordinated, long range defence policy, because so far as the people of Canada are concerned they have been very dissatisfied. They have wondered just what the policy was, just what direction we were heading in, and what it was all about, because there did not seem to be any clear enunciation of defence policy in a manner that would enable them to understand what the minister and his department were trying to do in this particular matter.

Reference was made this morning to savings, and I would like to find a more adequate word because it was pointed out that this was more in the nature of a transfer of certain funds from one part of the budget to another. It was pointed out by one of the previous speakers that the percentage of the defence budget for overhead expenses was so far above the amount of money allowed for the procurement of new equipment that it was very badly out of balance. Reference was made to the matter of a 25 per cent, 75 per cent, and so on ratio. I can understand why the minister wants to make some correction in this particular matter, because it was pointed out by a number of the witnesses who appeared before the committee that there was a serious imbalance in this matter, and that more of the defence dollar should be spent on the procurement of new equipment with a consequent lowering of the percentage allowed for overhead and maintenance.

The minister also made reference to the provision for those who would be retiring prematurely because of the reorganization of the defence department. The hon. member for Edmonton West (Mr. Lambert) raised the question as to why there should be some discrimination regarding those who may want to retire and who express the desire to retire prematurely. If we are going to dispense with the services of a certain number of personnel then I do not know why people who may wish to retire prematurely should be penalized. It could be done on a voluntary

basis and then the balance of the forced retirements would make up the total figure envisaged. I do not think people should be penalized and deprived of this consideration just because they would prefer to retire earlier.

This whole matter will have some effect upon the employment situation, upon the ability of individuals to secure gainful employment. Every precaution should be taken and every consideration given to see to it that those who are going to be displaced in this particular manner will not suffer unduly because of the change of policy. I wish to say right now that I agree with the proposal which is before us. I think it has been under study for a considerable length of time. I believe there are many aspects of it which should be analysed before we move forward with the whole program, but I believe it is a move in the right direction. Further, after discussing this matter with a great many people across this country, in the services and outside them, I have come to the conclusion that there is general support for a move of this kind intended to make the operation of our defence establishment more efficient.

Without question a radical change in defence thinking and planning is taking place. This has been made imperative as a result of the changes which have been taking place in weaponry and political alliances. Therefore, it is necessary that there should be a degree of flexibility, as far as defence planning is concerned, so as to keep in step with these various changes. Speaking personally, I think we should commend the minister for the initiative he has shown in taking hold of a difficult situation. In spite of the fact that his actions might not have been acceptable in some circles, he had the courage and the initiative to go ahead and propose changes which I believe have been due for a long time.

As we consider the problem of defence generally, as far as Canada is concerned, I think we find ourselves in a special position, or a difficult position, because Canada with a huge land mass and a relatively small population must find it hard to meet every situation which could possibly arise relative to her defence. I do not think it is easy to plan in these circumstances. I do not think it is easy to envisage the situations which may arise in the future and exactly how we ought to prepare to meet them. For this reason, as I say, I believe a certain degree of flexibility is necessary, and the fact that the minister has indicated his agreement with this view is to be commended.

I shall not attempt to elaborate this afternoon the policy which we in this group have advanced from time to time, except to say that it seems as though the ideas we have suggested and which we have in mind are gradually being recognized and that at least some of the proposals we put forward are being adopted. I do not say we can take any credit for that, but at least we had the vision to put forward some of these ideas which are now being taken up and implemented. The hon. member for Greenwood (Mr. Brewin) who spoke before me, said the government was taking a halting step in this direction. Well, I believe halting steps are better than no steps at all. The direction in which we are moving at this time and the proposals which are being made indicate that the government is moving on a course which is, I believe, acceptable to a great many people across the nation.

I should like to read a brief paragraph from a statement made by our leader, the hon. member for Red Deer (Mr. Thompson) stating defence policy. He said Canada's objectives should be the creation of a strong, modern, completely mobile and efficient force. I think that sums it up succinctly. We still believe this should be our objective. Canadian forces must be adequate to maintain surveillance of our skies and coasts and also to meet any emergency which may arise. However, we have a wider responsibility. I believe it is essential that we should continue to co-operate with the United States in measures for the defence of the North American continent. This was pointed out, I believe, in the committee's report. On page 758, the recommendation is that Canada remain a member of NORAD since the defence of North America is a joint responsibility. I believe this is essential because, as I have indicated, Canada, with its vast land area and small population cannot hope to meet the challenge which would be imposed by any massive aggression. We must, therefore, depend to a large extent on our neighbours and, in turn, we must be willing to make our contribution to the extent that it is possible in the defence of North America.

Moving further afield, there is a necessity for continued co-operation with our NATO allies in the field of collective defence. This subject would possibly lead us into a discussion of nuclear arms and nuclear commitments. I do not intend to go deeply into that now, because the views of our group have already been set forth in this respect.

Here again, if we interpret correctly the tenor of the evidence given by witnesses before the defence committee and, somehow, project the nature of the move being made on the part of the government, it would appear we are leaving the nuclear field, now, in favour of a more conventional type of operation. We think this is to be commended. Indeed, we have advocated it through the past years.

The United Nations remains, of course, the universal organization to which is committed the maintenance of peace. In this connection we have supported and continue to support the contributions which Canada is making because these, after all, are part of national defence. In contributing in any way to the maintenance of peace in the world, no matter where the peace may be threatened, we are contributing to our own national defence. The world today is getting smaller. We can no longer think of it as segments separated by so many miles or days. The world is shrinking and becoming exceedingly small. Therefore we believe that in continuing our support of the United Nations and its peace keeping operations we are making a contribution to the defence of our own nation as well as to the peace of the world.

I just wanted to make these few remarks about the bill which is before us and about the whole subject of national defence. Others of our group will be speaking on this subject. We do think it is necessary to maintain, as I have said, a strong, well equipped, modern mobile force because we believe that in this way we can best defend this nation and make our contribution to the defence of the North American continent as well.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, in respect to Bill No. C-90 with which we are dealing, we understand from the different expressions we have heard and from looking over the bill that it is concerned with an integration of the armed forces and concentration of command. These expressions apply very well to the subject we are discussing, but the bill itself is mainly concerned with the concentration of command. We also have the information given us by the minister in the white paper on defence, which I imagine is a summary of his ideas on the establishment of a military program, and so forth. Coupled with that we have another summary of the white paper. This makes three summaries. I will probably try to summarize them, so on the whole these summaries may be very lengthy. I shall try to give a summary of the summary of the summary in order to arrive at what should be done in this matter of defence. If the minister will refer to *Hansard* he will see that on Friday, December 9, 1963 I spoke on this matter to a certain extent, and I do not intend to repeat what I said on that occasion. However, I will reiterate a few of the points I raised at that time, especially concerning the integration of the armed forces.

Before dealing with that matter I would like to say to the minister that in my opinion this bill should be a little more extensive. I know it is a starting point, but the starting point is not quite correct, as I understand the position, because today we are talking about the naming of the chief of the main headquarters and, if my information is correct, he has been named already and is leaving tomorrow with the delegation for Colorado Springs. I will let the minister answer that one and say whether I am correct. Also, I gather that the headquarters will still be in Colorado Springs. I have always understood Colorado Springs to be in the United States and I do not imagine its location will be changed in any way after we have named the chief of the main headquarters. I have a suspicion that not only the minister controls that office, but also some of our good and willing neighbours sometimes give us a helping hand, which I would say is not always to our own benefit. If we are to have a command which is completely Canadian, I do not see why we have to establish it in the United States. This is one point about which the minister should be concerned and should endeavour to bring this command back to Canada. We and the United States have to work together as an international power. That is okay; but working together means we must also be able to make some of our own decisions.

We have been discussing the integration of our forces, and quite a few question marks pop up as we consider this problem. In fact, some objections were made in this regard last summer when we were on a NATO tour of different military bases in Europe. These objections were raised by some of the high ranking officers and were on this basis. When we spoke with somebody in the navy, he had his views on it. Then we went over and saw somebody in the army. He had his views on it, and his views were different. Then we went and saw somebody in the air force, and he had different views on it. We found that these views are not always the same. The navy would be willing to be integrated completely

so long as they were allowed to keep their traditions and customs. This also applies to the army and the air force. This is one thing the minister has not discussed in the white paper. Perhaps he has an idea of what he is going to do in regard to the necessary co-ordination. In fact, Mr. Speaker, on page 19 of the white paper on defence we find the following passage:

> Two objections are given as reasons why integration should not be undertaken. First, that morale or "esprit de corps" is weakened, and second, that competition is diminished. Neither of these objections will stand against careful scrutiny.

The last one, namely that competition is diminished, can probably be overcome because I do not see how two Canadian armed forces such as the army and the navy can be competitive when they are trying to defend their own skins. There might be some people like that, because there is always pride in one's force, but I think this could be overcome. With regard to esprit de corps—and this is the most important of the two considerations—I think we can imagine the esprit de corps of the Canadian army as a whole, but there are different points which are going to be very ticklish to deal with. Whether you integrate or not, you will still have an air force, a navy and an army, and the guy who is undergoing army training is not riding on the boats or ships. The man in the navy is going to be boasting about the ships, and the man in the army is going to say how good it feels to be on solid ground. I think these are two different fields of activity which could be commanded by one general headquarters, but the soldiers or the bottom men will still have their own feelings and in my opinion will always keep them. This was one of the main objections raised by the military people themselves. They were wondering whether they were going to be given the same uniform. This is one thing the minister has not mentioned, although I may not have correctly understood what he said. You cannot have complete unity if you start producing a distinguishing effect with the uniform. Is the navy, the army, or the air force going to have a distinctive uniform, or will they all have the same uniform? Also, you have the civilian men in the army. They also have rank and qualifications. How are they going to be considered in this whole set-up? The minister has probably considered this matter, but this is one fact that we bring to his attention.

The minister this morning spoke mainly about saving $100 million. It is always good to save money, but if we are going to save money, or amend or change something, we must do it for the benefit and good of all. I agree with the minister about concentrating the integration of the armed forces under one command, but the way to go about it is what I would like to know about in more detail.

There is another thing upon which I commend the minister. In fact, I spoke about it on December 9. This is a subject dealt with by the hon. member who preceded me, and this was in the Social Credit platform. I refer to making the armed forces very effective, very mobile and versatile for our own uses. It is useless to consider joining the nuclear arms race that exists across the world. First of all, we cannot afford it, and second, by the time we have a nuclear war engine ready for operational use the thing will be obsolete and somebody else will have produced something new. It is no good our trying to keep up in such an arms race because we will always be three or four years behind the rest. So in regard to nuclear warfare we are about as useless as can be on a competitive basis.

I am glad the minister has understood this and is turning his attention toward another way of protecting the Canadian nation and also fulfilling our commitments throughout the world. We can do this by having very effective conventional weapons and also by training people to use them most effectively, not only in wartime but also in peacetime. This is also the goal of the armed forces. Quite a time elapsed between the two world wars, and the armed forces have been maintained since at great expense, just in case there was war. Some people say, if we want peace prepare for war. I think Caesar said that, but I still do not believe in that principle. I think if you want peace you also have to prepare for peace, and in peacetime the army has a role to play just as much as in wartime. It can be used in peacetime as a deterrent force. In wartime it is used as a defensive force as well as offensive; but it is mostly used defensively to protect this nation.

But in peacetime when we are not defending ourselves what are we doing with our armed forces? What are its members doing besides keeping their boots and buttons shined? We can give them something to do to build the country economically speaking instead of their being just an expense. We can use the army as an internal force to help the Royal Canadian Mounted Police. We can use it in time of fire or floods. It is already used to a certain extent in this way but we can use it even more. These forces should

be trained to be ready for action at any time of emergency, either in Canada or wherever help is required. It was ready when Cyprus needed it, as I could have told this house before.

In fact I spoke about that on December 9. I spoke about Turkey, having just returned from a tour of that country. Turkey is one country in the world which has one of the longest histories of warfare, dating back thousands of years. If Turkey had spent just 10 per cent of what it has spent on warfare and devoted it to other matters it would be one of the most beautiful countries to visit, as well as one of the most prosperous. But at the moment the economy of Turkey is very weak, a fact which the Turks express openly. Greece is not so much stronger, and they have the same sentiment towards war. When these two countries do not have a common enemy they fight between themselves. I do not know whether they are just trying to keep in practice, but soldiers should not be used only for fighting. We can also use them for something else, and the minister should tell us something more of his plans in this regard. Has he any definite ideas about using these armed forces later on, not only as a means of defence but also to help the country either in production, in protection, or in any way the minister wishes to consider?

I was talking a moment ago about trying to save a few dollars and perhaps I can assist the minister on this. I want to mention a matter which concerns Uplands airport and it relates to a practice which is common to a large extent right across the country in different fields, wherever government administration is concerned. At Uplands airport there is someone controlling the purchasing of transistors for transistor radios. Uplands airport purchase these transistors in lot purchases, although I do not know how. I also do not know why they need to use two men in a three ton truck to collect a transistor from a certain store in Ottawa. That is one matter the government should look into, because if it is done here it is probably done somewhere else as well. I do not know who authorizes these purchases, or who authorized two men and a three ton truck to go to a store and get a radio transistor.

There are also at Uplands electronic tubes which are used in television sets. I do not know how many televisions there are at Uplands airport, but practically anyone on the base can just about go into the storehouse and get a radio or television tube without saying where it is for use or for what instrument. A lot of these technicians come into

town and do repair work as a sideline, and I would be interested to know where they get their television tubes. I would like the minister to check into this. I am not trying to state facts; I am just raising question marks. In fact, the minister has given us a lot of question marks so I am giving him a few back.

There is another matter which I should like to relate in French so that I do not get mixed up with technical terms. If the minister would listen and answer when he speaks I should be very much obliged.

[*Translation*]

Could the minister check up on this: Apparently, there is some buying of electric and electronic wire from an American firm to repair electrical and electronic equipment in Canadian planes. It would seem that the company purchased the wire after it had been discarded by the U.S. air force.

[*Text*]

If we are going to turn around and "buy American" this is beginning to be expensive. Therefore I should like the minister to check on that matter too.

These are all details which I am relating to the $100 million savings the minister was building up to. It is right to save, but we have to save all round. I should like the minister to check into these matters and to see whether there is any leak, because if he can prevent some sort of scandal it would be a lot cheaper to remedy the matter immediately.

The minister says the armed forces in Canada are to be transformed. We have to have concentration of command and integration of forces. But we also have to consider the preparation of our armed forces at the level of the militia cadets. I do not know how the minister is going to establish these cadet bases, but he might also take them into his consideration.

Militia courses are being given in my region, for example. The cadets are to be transported some 70 miles in the morning and some 70 miles back again at night, a round trip of approximately 140 miles. They will be trained during the day and brought back at night in this course which commences in June. According to the local authorities, with many more than 20 cadets it would be much cheaper if the training were done right on the spot, with the instructors there.

I do not know what risk the government will have to assume under the present plan or how much it would cost the government if one of these cadets was injured in a car

accident. Has that point been considered? I know that some of the parents have complained about the plan. They would rather have the training done at Thetford Mines than for these cadets to be transported 140 miles every day.

I imagine the minister will solve these small problems when he gets around to them, but this one problem in my region may very well pop up somewhere else throughout the country. If we want to interest our young men in becoming cadets, let us not start out by discouraging them the first time they undertake military training.

I should like to refer to page 20 of the white paper, where reference is made to a recommendation of the royal commission on government organization in these words:

> The government accepts and will implement the recommendation of the commission "that the deputy minister be given greater responsibility for keeping under review the organization and administrative methods of the Canadian defence establishment, and assisting the minister in the discharge of his responsibility for the control and management of the armed forces."

I should like to discuss this matter briefly. This is one thing that is not in the bill. If there are going to be changes in the functions or powers of the deputy minister we should like to know exactly where we stand. We have in Canada a nation that is looking foward to a peacetime defence organization that will also provide adequate protection and efficiency in wartime. But I know one thing is true. The Canadian people will support the government in its work in this regard as long as it does not interfere with the economy too greatly by being too expensive for the country. If that should happen you can be sure that the government will not have the support of the Canadian people.

I think that is one reason why the Canadian people were so much against nuclear weapons. We could not afford them and they knew it. But we can afford to pay and will pay for a very efficient, versatile, mobile armed force, whether or not it is integrated under one command. It is the minister's problem to see that the forces co-operate and work together for the protection and maintenance of peace in this country.

Mr. Robert Temple (Hastings South): Mr. Speaker, I believe it is inescapable that a deplorably small percentage of our military defence budget is being used for the procurement of new equipment. The hon. member for Greenwood (Mr. Brewin) mentioned that he thought the figure was in the neighbourhood of 23 per cent and therefore increasing it to 25 per cent was not very much. I suggest to him that the figure of 23 per cent includes the construction of new buildings and does not apply only to new equipment.

What has happened in the past ten years is that, from a high in 1954 of 42.9 per cent of our defence budget devoted to the purchase of new equipment, we have this year come to the point where only 13.3 per cent is being devoted to the procurement of new equipment. As a matter of fact, Mr. Speaker, if this trend continues for another couple of years we will have well paid, well dressed and well fed forces but with the poorest equipment in the world. For this reason I am sure we all agree that this imbalance has to be corrected.

Another thing I like very much in the white paper on defence is the emphasis on mobile forces. I do not think this is shown any better than in Cyprus. Within a very short time from the time parliament gave its approval for Canadian troops to be sent to Cyprus they were landing on that island. But the reason that our troops were able to get to Cyprus so quickly is that Cyprus has an airport with hardened concrete runways that can take the Yukon transport planes that we have in Canada. The Yukon aircraft requires long hardened runways and fortunately Cyprus has them. Therefore I am very happy to see that, while we have acquired some already, the white paper calls for the acquisition of more C-130E Hercules aircraft.

The reason I am so happy is that this aircraft, with its different aerodynamic characteristics, can take off and land on relatively short and unimproved air strips. We have mobile forces that we can use to fulfil our NATO commitments and to assist the United Nations in dealing with brush fire wars, but I am afraid it will happen quite often that we will be wanting to send them to places that do not have excellent airports like Cyprus. There will be other places in the world to which we will want to send our forces for use by the United Nations in putting down brush fire wars, places that will not have airports of this type. Therefore I believe it is a very sound step to procure the Hercules C-130E short take-off and landing aircraft.

There has been some talk about not preparing for war and that this does not help to keep the peace. In that regard I should like to read a few words from the conclusion of the white paper. It states as follows:

> Force alone, as all history shows, is not able to establish an enduring and creative peace. Nevertheless, and regrettably, it is essential to maintain force on our side as a deterrent against attack from

potential foes who are themselves heavily armed; as a means of removing the greatest temptation to an aggressor, the assurance of easy victory.

The maintenance of adequate force for the above purpose gives us the time in which men of wisdom, persistence and good will can work together to build a world where peace will be secured by stronger means than force. If we fail to take advantage of the opportunity that time gives us, then peace, and with it civilization, may be lost. If we spare no effort in seeking for peaceful solutions to the problems that divide and embitter men, then true peace may be established and all mankind gain the victory.

I feel that all members of the house agree with the work done by the defence committee last year and with its establishment this year. I say: Let us have second reading of the bill as soon as we can, send it to the committee and let the committee continue the work it did last year.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, first I want to say I am disappointed in the Minister of National Defence (Mr. Hellyer) because of the way in which he introduced the debate today. This is what comes of attempting to make an arrangement to forgo the debate on the setting up of the defence committee in exchange for a general debate on the bill introduced by the Minister of National Defence (Mr. Hellyer). We expected him to make a complete statement with regard to the defence situation in this country. Having made that arrangement, the Minister of National Defence simply talked on the narrow issue of the bill itself. I think he has performed a disservice to parliament and to the country in this regard.

We have not had a full debate on the problems of defence for five months. This is one of the most important areas of consideration, and a full statement should have been made by the minister today. This is the thing for which we were waiting, and this is what we did not get. It was on that basis we agreed to forgo the debate on the setting up of the committee. We could have had two debates and stretched them out for several days. However, we did not want to do that. We want to get on with the business of the country. However, before passing the bill or setting up the committee, we wanted to have a full disclosure of what has been going on in the field of national defence. The minister had his opportunity and did not take it. Once again he has failed to perform his duty, as I see it, because a heavy responsibility rests on the Minister of National Defence and on the Prime Minister (Mr. Pearson) of this country.

[Mr. Temple.]

I noticed that the minister told us the Prime Minister was in accord with his proposals in the white paper and in this bill. We were so encouraged to hear that the Prime Minister approved of what the Minister of National Defence was doing. What if he had disapproved? The Prime Minister does not approve of things that are being done by some of the other cabinet ministers, but we are now informed he approves of what the Minister of National Defence is doing. Obviously, he is the white haired boy of the cabinet. Then, the minister did as he did in December, he praised his associate minister. The associate minister will get up and praise the Minister of National Defence. This is what was done last December. They pat each other on the back and say, "My, how hard my colleague is working." They are the gold dust twins working together, struggling with these great problems. They are burning the midnight oil and producing a white paper.

What else have they produced in the course of the year that they have been in office? This is what we wanted to know today. We asked questions all last session with regard to national defence, but we could not get very satisfactory answers. One year has elapsed. What about the Prime Minister's promise that after closing the nuclear gap, to use his words, he would then negotiate Canada out of the nuclear field? What has happened to that in the course of a year? We have been very patient. We have been waiting for this diplomatic action. What has happened? The Minister of National Defence failed to tell us. Is this another broken promise by a promising Prime Minister? I wish the Prime Minister were here to give us an answer to this question. Why does he make these promises to the Canadian people and then fail to fulfil them? This is a question that is being asked right across this country. Promise after promise, tailored to suit an election campaign, has been made and then there has been the failure to fulfil these promises. What did the Prime Minister mean when he said he was going to undertake immediately to negotiate Canada out of the nuclear arms area? Obviously, he meant nothing.

Why does the Minister of National Defence not tell us something about the Bomarc, how much they are costing and things of that nature?

If we believed for one moment that the Bomarc provided any real protection with or without nuclear warheads we would concur in their use, but we do not believe so—

> In our minds it is not a question of using a missile with an atomic warhead such as the Bomarc. It is our conclusion after serious consideration that in the time period in which these missiles will be in operation they will provide no effective defence whatsoever and might just as well not be there. If anyone else thinks differently let him support the policy and let him pay the piper. We do not believe so.

These were the words used by the Minister of National Defence speaking in the House of Commons in August of 1960 when he was a member of the opposition. What has been done with the Bomarcs since he has undertaken responsibility for them? He had no use for them then; he was not going to pay the piper. Who is paying the piper now? Who is in control? He said:

> We particularly do not believe so when the atomic warheads would be under the control of the United States government.

Are they under the control of the United States government now? We have not heard one word from the minister with regard to the Bomarcs for which he had no use, according to words attributed to him on page 7572 of *Hansard* for August 4, 1960.

What about the Voodoos? Would he tell us the number of squadrons he has, and are they armed with nuclear missiles? Where are they stationed? What protection are we getting from the Voodoos in Canada? We have not heard one word from the Minister of National Defence. What about the Starfighters?

> It is true that we do have two air bases in Germany and presumably F-104's could operate from them. In the day of missiles, however, it would seem sheer folly to station eight squadrons of atomic equipped planes on two bases where they are vulnerable to sneak attack. We urge and demand that the government communicate to the house exactly what plans it has for the effective use of these machines.

These are the words used by the Minister of National Defence on August 4, 1960, when he was a member of the opposition, and they appear at page 7565 of *Hansard*. We have not had one word from the minister with regard to Starfighters. In December I asked him questions about the Bomarc, Voodoos and Starfighters. I said, let us know if any one of these Starfighters in Europe is equipped to fight. I got an answer on the order paper here not so long ago to the effect that they were not equipped. This air division in Europe could not fire a shot, so far as we know today or tomorrow if called upon to do so.

Now, I said the Minister of National Defence has heavy responsibilities and so has the Prime Minister. The Prime Minister has to take responsibility for the defence of this country and, through his cabinet, he is responsible to the house and to the people. What is the state of readiness of our forces? One year has gone by since the election campaign at which time the present Prime Minister was saying we did not have any Starfighters in Europe equipped. He said there was a whole air division flying around in Europe not equipped to fight. There was not an air division then; there were only 18 planes. Of course, they were not equipped and we acknowledged that. A year has gone by, and is that air division fully equipped now?

What about the bases for the nuclear weapons for these F-104's? How many of them are there on ready alert, ready to take off at a moment's notice? How many are still stationed in France on bases where nuclear weapons, apparently, cannot be used? What teeth have the air force, except those in the police dogs that are guarding the missile dumps that have not yet been constructed. Is that all our air division in Europe is doing? Just a few years ago it was the elite air force in NATO, but the present Minister of National Defence wiped out the Sabre jets which were fully equipped to fight and were ready for action, at any time over a period of ten years. What is the air division in Europe doing now? Why did the minister not tell us this afternoon? Surely this is important. What purpose is served by having armed forces unless they are ready for instant action? That is the type of Minister of National Defence we are saddled with.

I hope the minister will give a reply to that in due course, or that the associate minister will do so when he gets up to compliment the minister and after he has finished patting him on the back.

With regard to the defence committee, everything I said about it in June last when we were setting it up has turned out to be true. I said I feared that matters of policy would be decided by the government without reference to the committee on defence. That happened. I said that I feared the committee on defence would be discussing various matters, hoping to evolve some advice for the government, and the rug would be pulled out from under it when it was involved in those discussions.

I can give two examples. The frigate program was cancelled by the government after the defence committee had been struggling with the problem for several days, getting evidence, examining figures and talking to the admirals, but all the time the Minister of National Defence and the associate minister

had their hands on the rug. Suddenly they gave it a yank and that work done by the defence committee was just useless. The frigate program had been cancelled, but there was not one word to the committee while this was going on.

Subsequently the minister decided that there would be a serious curtailment of the militia forces of this country and, without referring this subject to the committee on defence, he appointed a committee, gave it instructions to bring in a report, and removed this from the subjects for discussion by the defence committee. What purpose can be served by a committee when it is treated that way?

During the course of one of our discussions here I asked the minister if he wanted advice on policy matters from the committee, and he said no. That was a very interesting day in committee when he said he did not want advice on policy. We were just to inform ourselves so that we would be able to participate in discussions on defence matters on the high level of the minister and the associate minister. Like groundlings, we were to emerge from the pit and get up on the stage if we had the information.

Now we are again setting up the defence committee. Is the minister going to refer problems to us? Will he let us discuss the question of the militia before the decision is made, or will he pull the rug out from under us while we are discussing that problem? Is there any use in our discussing it? If he has got all the answers and the decisions, what is the defence committee to do? That is the difficulty that we face. In my opinion the future of the defence committee is problematical and I wonder whether it really can be effective under those circumstances.

If I heard him right, the minister said that the bill presently before the house, if second reading is approved by the house, will go for consideration to the committee on defence. In other words, he is determining the subject matter that will be placed before that committee, because obviously a bill of this nature would have to be looked at and discussed soon. We would not want to delay it indefinitely.

I was interested in the reports we received month after month about the study the minister was undertaking, and the production of the white paper. We had more advance information with regard to that white paper than we had with regard to the production of the motion picture "Cleopatra." Week after week we were told, "A white paper is coming out; all your problems will be solved."

[Mr. Churchill.]

Then there were leaks of information as to what was to be contained in the white paper. Then there were inevitable delays because the minister was still studying the subject. It took him a whole year, or certainly ten months, to produce the white paper. Then it came out with a great glare of publicity. The highlights were presented for people to look at. It was described as a ten year plan, the "first such long term defence plan." The late Hon. Brooke Claxton, if he were now living, would not agree with that because he had long range defence plans, and so had his successors in office.

Then we had a list of the highlights in the white paper, as though there were something absolutely new and different in it. Some of the commentators indicated to the public that now at last Canada has an understanding of the goals of her defence policy. I know, Mr. Speaker, you know this, but strangely there are others who might not, namely that there have been other white papers. This will come as a surprise to a great number of people, but we have had white papers in existence, to my knowledge, from 1954-55 up to 1961, and there were some before that.

I have read all of these white papers and in many respects they are superior to the one for which we had to wait almost one year. In 1954-55 the Hon. Brooke Claxton published a white paper setting out Canada's defence objectives. He said:

> The objectives of our defence policy remain the same as heretofore:
>
> (i) The immediate defence of Canada and North America from direct attack;
>
> (ii) implementation of any undertakings made by Canada under the charter of the United Nations, or under the North Atlantic Treaty Organization, or other agreement for collective security;
>
> (iii) the organization to build up strength in a total war.

Defence policy was known to the minister of national defence, to parliament and to Canada as far back as 1954-55. A white paper was prepared each year after that, but I pick out the one prepared in 1959 by Hon. G. R. Pearkes, V.C., on the subject matter of defence policy. Fancy, talking about defence policy as far back as 1959. One would imagine that it was only in 1963-64, under this minister, that the subject of defence policy has been studied, perceived and disclosed, but back in 1959 we read this in parliament:

> Canadian defence policy derives directly from our foreign policy—

You will find a sentence like that in the present white paper.

> —and is designed to ensure national security and the preservation of world peace. These objectives

are reached through collective arrangements within NATO and the United Nations.

Then, skipping a few sentences, I read this in paragraph 2:

In order to meet the objectives of the alliance and in support of the United Nations, it is the defence policy of Canada to provide forces for:

—The defence against an attack on the North American continent;

—The collective defence and deterrent forces of NATO in Europe and the North Atlantic;

—The United Nations to assist that organization in attaining its peaceful aims.

Well, there we are. Defence policy has been spoken about in this house and written about in numerous white papers. It has been expressed and re-expressed. And now, in March, 1964, we have a white paper on defence which is supposed to be the final word—the new look. This is a discovery which the Minister of National Defence (Mr. Hellyer) has made—a discovery of defence policy. He suggests to us in a foreword:

The objectives of Canadian defence policy, which cannot be dissociated from foreign policy—

These words are familiar in the light of what I have been reading.

—are to preserve the peace by supporting collective defence measures to deter military aggression; to support Canadian foreign policy including that arising out of our participation in international organizations, and to provide for the protection and surveillance of our territory, our air space and our coastal waters.

Then, on page 6, these objectives are listed again under letters (a), (b), (c) and (d). Here they are:

(a) Collective measures for maintenance of peace and security as embodied in the charter of the United Nations, including the search for balanced and controlled disarmament;

(b) Collective defence as embodied in the North Atlantic treaty;

(c) Partnership with the United States in the defence of North America;

(d) National measures to discharge responsibility for the security and protection of Canada.

I would be interested if someone would disclose what is new in this white paper. It is rather a good literary document. I think it was drawn up by officials in the Department of External Affairs or in the historical section of the Department of National Defence. Now and again, the minister has got in a word of his own; he has a few words which I recognize here and there. It is a carefully drawn document. There is an introduction and the objectives are stated. Then there is a historical summary of our policy since 1945, followed by considerations affecting our future and a section on the organization of the defence forces. Then the minister looks ahead for ten years to the shape of Canadian forces between 1964 and 1974, and follows up with a section dealing with defence research and industry. Finally, just in case people might be too critical, he provides an escape hatch through which one could drive 12 Centurion tanks line abreast, because by means of this escape hatch he could get out of anything he had said in the pages earlier.

Mr. Diefenbaker: Is that the part attributed to the minister?

Mr. Churchill: Yes. These are the exact words, I think. I recognize the minister's style in the conclusion, assisted by the Secretary of State for External Affairs (Mr. Martin).

Well, that is the white paper. I suggest it is a most incomplete document. I was tremendously disappointed in it. In a white paper, in addition to a literary exercise setting out objectives and things of that nature, we require—and all previous ministers recognized this requirement—tables and charts showing the size of the forces, the expenditure of money over the years, how the defence dollar has been distributed, and so on, so that all who are interested may be able to form a picture of what has been going on. There is nothing of that kind in the present white paper on defence. It is simply a literary exercise. It contains only one thing that is new, and I intend to deal with that in a few moments. Why were we not favoured with summaries of expenditure and charts to show where the money has gone? This has been mentioned before but it does not hurt to mention it again—in 1954-55, 21.3 per cent of the defence dollar was spent on military personnel and 42.3 per cent on procurement and equipment. By the time we had reached 1959-60, military personnel costs had risen to 33.1 per cent and money spent on the procurement of equipment had gone down to 21.3 per cent. You cannot have it both ways. You cannot increase the personnel in the armed forces and raise their pay and allowances, as we did when we were in office, without effecting savings somewhere along the line, unless the entire amount available for defence is increased.

Why did the minister not put things like that in the white paper? Why did he not give us, as was done in 1961 in a booklet published under the name of the hon. member for Calgary North (Mr. Harkness), a summary of expenditures for the past ten or 15 years, so that we could make comparisons? This would have been very helpful.

In 1952-53 total expenditure on national defence amounted to $1,882 millions in round figures. In subsequent years it was $1,805 millions, $1,665 millions, $1,750 millions, $1,759 millions and then $1,686 millions. The minister talked about a saving. He says he has effected a saving. I would point out that we effected a saving of almost $262 million in defence expenditures as shown by the record for the year 1958-59 when defence expenditures totalled $1,424 million. This is not the first time there has been a substantial saving in defence expenditures. The figures carry on. Expenditure in 1959-60 amounted to $1,514 million. For the next five years I have no figures for final expenditures, but I have estimates. These are the estimated expenditures for the following five years: 1960-61, $1,520 millions; 1961-62, $1,614 millions; 1962-63, $1,590 millions; 1963-64, $1,634 millions. The minister is now proposing for 1964-65 an expenditure of $1,525 millions.

These figures give the house a proper basis for comparison. Now a serious decision has to be made with regard to the amount of money to be devoted to Canadian defence, and parliament has to look at this question very closely. Are we to set a figure of $1,500 millions and stay there? If we do, what are the choices. One course which might be followed is to reduce the percentage of the defence dollar spent on personnel. The other is to reduce the amount spent on the procurement of equipment, operations and so on. This is the problem which is facing the minister. He talks about financial savings. He told us—and I objected to his use of the word "savings" in that connection—that he had brought about a saving of $100 million in the estimates as is shown by the figure I have just read. But what the hon. gentleman is really doing is transferring a saving realized by reducing the cost of military personnel, headquarters establishments and so on, to the purchase of equipment. To say otherwise is to mislead the public. I noted, by quickly going through the estimates that out of the $100 million he mentioned the hon. gentleman has made a saving of $80 million on equipment, the very item we were going to spend more money on because, he said, we were falling behind. In other words he has cut out the purchase of equipment by the navy, army and air force to the tune of $80 million. Then, in order to get that back for the purchase of equipment he has to cut down on personnel.

That is about what he is doing. He is chopping down personnel in order to find money to spend on equipment, because he has reduced the over-all budget by approximately $100 million. Well, he has to maintain the efficiency of the armed forces while doing that. No one will object to the saving of money through the reduction of unnecessary overheads. I suggest, though, that more information will have to be given to us as to how this is to be done. The minister has talked loosely about the integration of our forces; articles have been written about it, but nobody completely understands what is in the mind of the minister with regard to that and he did not explain it this afternoon. What does he mean by "integration" of our forces? He should have given us a discourse on this. It is not clearly set out in the white paper. How far is this integration to go? It is a desirable objective. It was started by General Pearkes in 1959. He started on this program of integration by reducing the staffs in the medical, chaplain and recruiting services. That is where the start was made, and we have to carry on from that point. How far is integration to go?

The minister is starting with the report of the Glassco commission which recommended a change in the chiefs of staff committee. He mentions this in the white paper; but the white paper failed to quote all that the Glassco commission said with regard to that proposed change. Let me read from page 73 of the Glassco commission report:

> In relation to the key function of the chiefs of staff committee of advising the minister and the government on military aspects of defence policy, the C.C.O.S. has no formal pre-eminence and there may be merit in making this function the collective responsibility of the committee.

I draw attention to this sentence:

> Excessive concentration of the advisory task in the hands of one man has obvious dangers.

The Glassco commission did not elaborate on that sentence. The minister does not mention it in his white paper and made no comment on it today. I think parliament has to look very, very closely at that to see whether or not it is advisable. I do not think there will be opposition to integration, but it is the question of how it is to be done. That is the function of this house, to examine the method by which that integration is to be accomplished and how far it will go. If it means placing too much control in the hands of one man, which the Glassco commission has already warned is dangerous, then we must watch exactly what we are doing with the bill which is before us.

I would refer the minister to some comments on the government white paper by Brigadier Malone. This article was published

in the Winnipeg *Free Press*. I seldom have occasion to quote the Winnipeg *Free Press* and they seldom have occasion to mention me, but I am not unfriendly to Brigadier Malone in his capacity as a former military officer, and I know he had practical experience in warfare, has made a great study of the theory of warfare and was very much interested in the militia. Brigadier Malone has drawn attention to the fact that there may be a serious danger in the command structure as envisaged by the proposal of the minister. I have not time to read the various things he has put in front of us in articles in the Winnipeg *Free Press*, but I draw attention to his suggestion that a study should be made of the findings of the royal commission on defence under Lord Esher in England in 1904. I have made that study. He says that the proposal now put before parliament by the minister is reverting to a system which was found to be unacceptable by Great Britain in 1904. They had had plenty of experience and found that it did not work. Instead of that, they set up a defence council, different from the one the minister mentioned this afternoon, and in this connection Brigadier Malone says:

> What is required today is a defence council at the top policy-making and administrative level of which the chief operational officer of all three services is but one of the members.

He is not the supreme commander-in-chief; he is just one member of that council. Then he says:

> The other members (of equal authority) should not be divided according to separate service but as to the other main functions or divisions of defence. The council should include, as well as the senior operational officer—

That is the supreme commander:

> —the senior officer responsible for all supply, transport, accommodation and equipment, etc. (for all three services), the senior administrative officer responsible for such services as recruiting discipline, legal, welfare and so on. These officers should speak with equal authority to the operational chief of the three services and they should take their orders not from a supreme commander-in-chief but from the defence council itself.

There is not time for me to extend these remarks with respect to this particular feature of it, but I do suggest that before we launch too far into this sea that the minister is sailing we should observe the experience of the past and the marked reefs. The army organization in England in the 19th century, in the Crimean war and the Boer war, foundered on the mistake of having a supreme commander-in-chief, as Brigadier Malone points out, and they corrected that mistake by setting up an army council—the same applied with regard to the navy, and so on—in which the supreme commander-in-chief was only on an equal footing with other people who had the administrative services under their wing, and there was the proper civilian control, which was not available in the days when the supreme commander-in-chief looked after everything.

So I sound this cautionary note at this time for a consideration of the matters drawn to our attention by Brigadier Malone, for a study of the Lord Esher report, for a study of the system operated at the present time in the United Kingdom, so that we do not, in the haste for reform, make what might become a very serious mistake.

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to say a few words on the bill now before us.

First, I wish to refer to the re-setting up of the special defence committee. I think we are unanimous, in this house, in supporting that measure and in saying that this committee has already played a useful role and is called upon to play an even more useful one this year and in future. I should like to point out that the members of the committee constitute together a most valuable storehouse of technical military knowledge. Therefore, it would be in the interest and to the advantage of the house to use the special knowledge acquired last year by the hon. members who took part in the work of the committee. We should, as much as possible, keep the same members.

I believe that is the policy followed with respect to defence committees in most countries of the alliance that we visited last year as members of the committee. I am thinking in particular of the French committee on defence which is composed of members of the national assembly and which has been under the chairmanship of representative Moinet for many years. In view of the continuity of its membership, the committee has been most helpful to the French government in the establishment of a military policy.

Consequently, I take this opportunity to impress upon hon. members the advisability of reconvening the committee on the same basis as much as possible.

I should now like to deal with remarks made by the Minister of National Defence (Mr. Hellyer) when he introduced his resolution. He referred in particular to the savings which would result from the new plan to integrate the armed forces. I do not intend to dwell on the subject, since my colleagues,

the hon. member for Winnipeg South Centre in particular, dealt with it and pointed out that in spite of the reference to savings made by the minister, no savings will be effected actually, because the government has no intention whatsoever to reduce the appropriations for military purposes any more than it has already done. No attempt should be made to delude the public with a plan designed to look as a means to effect savings in that field, when no savings are actually being considered.

Mr. Speaker, the minister spoke of the immense advantages that would result from integration; for instance, it would reduce the number of people or channels of information reporting to him, which would give him a better interpretation and a better co-ordination of military information—that may be true—and would give him a better opportunity to set up on a functional basis the Canadian armed forces.

But why did the minister, when he spoke about integration—of course he is well known for his modesty—speak of it as if he had discovered something extraordinary, a new planet for instance? If you analyse his speech thoroughly, you might be led to believe that before him no one in Canada or in any other country had thought about the need to integrate the military forces.

Mr. Speaker, it is well known that this project has been under consideration for many years by military authorities, by the former minister of national defence, and that everybody agrees today, because of modern military technology, that integration is necessary.

Integration is the first essential step toward the streamlining of our armed forces. How could it be otherwise when today the role of the various services being integrated, has become undistinguishable.

This is the age of space ships. Because of this, we can no longer separate the army, navy and air force and assign each service a special and air-tight role.

Therefore, what the minister suggests is only the first unavoidable step in that direction. What he puts forward is not a *fait accompli* and there again I do not understand the minister who, in a very pleasant tone of voice and without passion, reveals to the house things he would like us to believe are extraordinary but which are the most normal in the world. That outline he gives us remains more than just an outline. Even if the integration of the armed forces should become a reality, what the minister is suggesting at this time is not the massive integration of our military forces but just integration at the top, replacing three chiefs of staff by a single one. That is far from the complete integration of the armed forces which would be desirable.

Moreover, the minister shows us integration as being desirable from an administrative point of view and also for purposes of economy. It might very well be, but if integration has become necessary it is certainly not because, from the administrative point of view it might be more flexible, or because it would be cheaper from the economic and financial point of view; but it should be at least for the purpose of making Canada's military role more efficient and more flexible to apply.

The minister also referred to the necessity of maintaining civilian control over the military forces. Who, in this house or outside, questions that necessity? But the minister has a special art for presenting his ideas and projects as if they were the result of the fullest deliberation and that his projects become absolutely necessary due to exceptional circumstances which he does not fully reveal to us.

Really, listening to him this morning, I thought for a moment that we were on the point of witnessing in this country a coup d'état plotted by a military junta. This comes from the way the minister outlined quite normal things, in order, I believe, to set off the splendid role he laid out for himself.

Mr. Speaker, we are of course in favour of a control of military forces. I do not think there is any reason to believe that the minister will lose this control. If there is such a danger, I think it would be his duty to resign and surrender his functions to another who would apply this control; otherwise, we would be like those republics where democracy is but window dressing.

This is not the situation in Canada, except that I was somewhat upset, Mr. Speaker, by this week's developments. I am thinking especially of the melodramatics of which Kingston was the scene when the royal commission of inquiry on bilingualism and biculturalism met in that city.

The situation was judged so unusual—and I insist on that word—that the commanding officer of the area felt it necessary to issue special orders to forbid members of the Canadian armed forces in the district to attend the sittings of the commission or, at least, to participate in the discussions.

My colleague from Royal (Mr. Fairweather) looked up the military regulations in that

respect and he found no substantiation for those orders. The Associate Minister of National Defence (Mr. Cardin), who is paying close attention to me, changed the regulation by saying that such questions were controversial and that the military personnel should in no way be involved in controversial discussions.

Mr. Speaker, surely the fact of being a soldier in peace time Canada, does not mean that you have to abstain from publicly discussing topical matters of general interest which, if they are subject to controversy, certainly do not jeopardize the security of Canada or other military objectives.

I am not at all satisfied, Mr. Speaker, with the muzzling of our Canadian military forces on this occasion. In fact, I am very dissatisfied with it and, when reading the minister's explanations, people might think themselves right in the middle of a who dunit starring Maigret. Anyway, that was the impression I had, and which seems to me normal under the circumstances.

Therefore, I understand the better, or rather still less, the motives of that military commander, when I think of some briefs submitted at that commission sitting, for instance, the brief of Dr. Arsène Lauzière, professor of French literature at the Kingston military college, on which the Minister of National Defence and the Associate Minister of National Defence did not make the slightest comment.

I believe that, because of the seriousness of the charges made by a person in authority, the Associate Minister of National Defence, who is more particularly in charge of personnel, might have given some explanation to the house. Some very serious charges have been made. It has been said that in the army, the current language, in which everything was done, was English; that promotions were slow and difficult for a French-speaking officer, and finally, that, if you wanted advancement in the army, you had to learn and speak English. Moreover, though the French language was allowed for communication in the Royal 22nd, even that regiment had to use English when communicating with other units.

Mr. Speaker, there must be a very good reason for this state of affairs, but the house is entitled to an explanation, especially now that tremendous efforts are being made to convince French Canadians that they constitute an integral part of this nation and that they are on an equal footing under the confederation pact.

I think that, in this matter, the minister can, if he wishes, and not only if he wishes, but it is his duty to do so, take very useful action. I do not think that what was reported by the professor is false, because I, myself was a member of the national defence committee and I was in a position to know that in Europe, particularly at the Canadian brigade base in Germany, children of French Canadian servicemen were receiving their education exclusively in English. No effort was being made either to follow the curriculum adopted by the province of Quebec, because the course given was different, or to have French classes for children of French Canadian servicemen.

Now, I am saying this with great objectivity, for I think that such a situation is abnormal. I merely mention it in the hope that the minister will very shortly take necessary steps to correct this anomaly.

Mr. Speaker, this brings me back to the national defence policy of Canada. While we are considering this defence bill, we are entitled to ask what is the general defence policy of Canada and what is the trend of that policy in regard to objectives set in the field of Canadian foreign policy?

Those well-known objectives aim at maintaining the sovereignty of Canadian territory and curbing communist expansion, as far as we can and finally, at maintaining order among nations.

Those are broad objectives, and to attain them, Canada participates in some essential alliances, the principle of which must never be questioned—and today more than ever before—of joint defence for western nations. That is why we are and will remain within the Atlantic alliance, as well as the North American alliance. We are also a member of the United Nations, and for those purposes, we contribute to the maximum of our means; this has to be in order to promote disarmament and raise the standard of living throughout the country, notwithstanding our foreign aid program.

Mr. Speaker, may I call it five o'clock? [*Text*]

The Acting Speaker (Mr. Batten): Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills.

Broadcasting Act

BROADCASTING ACT

AMENDMENTS RESPECTING PARTISAN POLITICAL BROADCASTS

Mr. H. C. Harley (Halton) moved the second reading of Bill No. C-25, to amend the Broadcasting Act (political programs).

He said: The purpose of this bill is twofold. First, it reduces to two days the restriction now governing political broadcasts prior to a federal election. As every member in the house knows, at the present time political broadcasts may not be made on election day nor on the two days preceding election day, that is from Friday midnight until the night of the election. This regulation, of course, governs broadcasting, but the newspapers may carry political advertising even on election day.

This amendment I propose will give the broadcasting media, that is radio and television, a more equitable arrangement as compared with the newspapers, but it still does not equalize them. The present Broadcasting Act says that no licensee shall broadcast a program, advertisement or announcement of a partisan political character on any day that an election is held for the election of a member of the House of Commons, the legislature of a province or a council or municipal corporation or on the two days immediately preceding any such day. As I have said, this refers to a federal election, a provincial election or even a municipal election.

I know many hon. members have had the experience of having broadcasts from parliament hill cancelled because there was an election in some other area. I know that during the last election in Newfoundland I had a broadcast cancelled which I did not really believe was of a political nature.

The second purpose of the bill is to ensure that the prohibition mentioned above would only apply to a broadcasting station within the broadcasting or receiving range of the electoral district involved. This provision would not apply, therefore, to federal elections because all of Canada would be involved. However, it could apply to by-elections, provincial elections or municipal elections. This sounds a little complicated, Mr. Speaker, but it can be done since I am told that each broadcasting station has a licensed pattern or range.

Apropos of what I have just said, I should like to quote from *Hansard* for August 26, 1958, where the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), at that time the minister responsible for the C.B.C., was discussing Bill No. C-55 regarding the establishment of a board of broadcast governors. I should like to quote from pages 4115 and 4116:

> I do not know how many hon. members know this, but under C.B.C. regulations as they apply today if there happens to be a town council by-election in Wolfville or Port Alberni, then the C.B.C. is not supposed to broadcast political programs for three days prior to that by-election although there may be a provincial general election in Ontario. That is the existing regulation which has application to federal, provincial or municipal elections. The thing is just silly.

A little farther down on the same page, I find this:

> After a great deal of discussion we felt it might be allowed to stand this way; the elections committee of the House of Commons would be set up in the relatively near future and that would be a much better forum in which to discuss this question and arrive at some solution with respect to political broadcasts and so on, rather than attempting to deal with it by way of amendments or by a board outside the control of parliament.

Speaking in the same debate later, as recorded on page 4129, the hon. member for Digby-Annapolis-Kings said:

> It was the understanding when we inserted it here rather reluctantly that this was not the place to include it but as this certainly was not the time to engage, as I said before, in a prolonged political discussion about advertising and programs it was put here, shall we say, as a temporary resting place until the elections committee could meet.

This referral mentioned by the hon. member for Digby-Annapolis-Kings at that time has never taken place. I went through the reports on privileges and elections and ascertained that in 1959, a year later, this topic was mentioned by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). However, the committee never proceeded with it. In 1960 the committee did discuss a 48-hour prohibition on political broadcasting. After a great deal of discussion they felt they should leave the regulation as it was. After reading the evidence and trying to deduce the reasoning of the committee at that time I found they felt television had a greater impact on the general public than newspapers and therefore it was reasonable to leave the newspapers with the advertising advantage over radio and television. During the meetings in 1960, the committee discussed amendments to the act concerning political broadcasts from outside of Canada, that is broadcasts originating across the border. At this time amendments were proposed, which were accepted later and became part of the Canada Elections Act.

The committee on privileges and elections met in 1962 and 1963, but this topic was not

[The Acting Speaker (Mr. Batten).]

discussed. As I have said, Mr. Speaker, the consideration of this matter by the committee which was promised in 1958 has never been undertaken, for one reason or another. I am introducing this bill at this time in order to bring to the attention of the house the fact that this matter should be considered and I hope that members of the house will refer it to the committee on privileges and elections, as should have happened in 1958.

Mr. Bert Leboe (Cariboo): I shall not detain the house very long, Mr. Speaker, but there are a few comments I should like to make on this bill. I should first like to deal with the clause concerning dramatization. In my opinion this has been a sore spot so far as a number of people in Canada are concerned. I feel that dramatization, especially those in which the candidate takes part in the discourse, are a means of getting a point across. It seems to me this is merely a matter of education so far as the individual who is viewing the program is concerned. After all, this is the point of a political broadcast. Surely, the cost of a broadcast on television is high enough, so that the best use of that time should be made in order to get a point across to the viewer.

I should like to refer now to the free time for political broadcasts. I believe the voter is entitled to hear from each party on an equal basis in order that he can ascertain for which party he should vote. I am very strongly opposed to the situation where, because of the number of members in the House of Commons or the number of people who voted in the last election, one party gets the lion's share of the free time provided on television. I am strongly opposed to the situation where a party, because of its numbers in the House of Commons or because of the number of people who voted for it in the previous election, gets the lion's share of the time given by the taxpayers themselves to view the various parties' positions and the things they have to present to the public. To my mind that is absolutely the reverse of what it ought to be.

We should look at this whole matter from the point of view of the viewer, and the ability of that individual to get a much clearer picture in his mind as to where he should put his "x" when the vote is being taken.

I would like to refer just briefly to broadcasts outside Canada. We may say that we can regulate this from Canada, but I say that any person who wants to get somebody else in the United States to give a very strong viewpoint, over a United States station, in connection with a Canadian election can probably do more to emphasize a position than if the people of Canada themselves could go across the line and put on a program. The reason I say this is because it would be an isolated incident that would stand out from the rest of the broadcasts at which the viewer would be looking.

We have to be big enough and bold enough so that we can stand in the face of all competition, and put our wares before the Canadian public as much as we can so that they may be able to decide for themselves what they are going to do when election day rolls around. In closing I wish to say I would very much like to see the subject matter of this bill referred to the privileges and elections committee where it could be gone into very thoroughly and perhaps, out of that, could come some badly needed corrections.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I rise to indicate briefly the support I have for the bill which has been introduced by the hon. member for Halton (Mr. Harley). The remarks just made by the hon. member for Cariboo (Mr. Leboe), which of course deal with a section of the act that it is not proposed to amend by this bill, serve to emphasize the desirability of having the general subject matter of the bill sent for review and study before a committee, where the views advanced by the mover of the bill and the hon. member for Cariboo could be gone into.

I am not quite sure how the name of Port Alberni happened to come into this discussion. I was not in the house when the minister made the statement which was quoted by the hon. member for Halton, but I mention it merely to emphasize the fact that this is a subject which, at various times and under various circumstances, has come up for discussion in Port Alberni in connection with elections to the various levels of government.

While the basic idea of having some restraint or limitation on partisan broadcasting in the period immediately preceding an election is a good one, it is ridiculous that the act is so worded that it prohibits broadcasts, where there is overlapping, for elections to the various levels of government. It is ridiculous that a report from parliament hill may have to be cancelled because of a purely local election in that region of the country represented by the hon. member who contributes to the report. I am sure most hon. members who have participated in these broadcast reports have had that experience.

The hon. member is to be complimented on presenting this bill. I certainly hope the

subject matter will receive early consideration in the appropriate committee of the house, so that out of that will come a recommendation that the anomalies which exist with respect to broadcasting in other jurisdictions will be removed from the act.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I am pleased to support the bill of the member for Halton (Mr. Harley) now submitted to the house, because it points out an absurd situation which can result from the application of section 17 of the Broadcasting Act in its present form. In fact, it is entirely illogical to note that a candidate in a federal election or even an elected member called to express the point of view of his party on radio or T.V. may be prevented from doing so, because a simple municipal election is going on elsewhere in another part of the country, sometimes quite far away.

Therefore, I congratulate the member for Halton for having set forth the principle of the bill under consideration.

I also believe that he is entirely justified in submitting this bill to the committee on privileges and elections, because I feel it is not only section 17, but the whole Broadcasting Act that should be completely reviewed.

Mr. Speaker, it is not simply a matter, as proposed in this bill, of reducing the period of time to three days, when no program of a political character could be broadcast prior to a federal election. There is more to it, and that is why I suggest that the whole Broadcasting Act should be reviewed.

A rather difficult problem arises at election time. It happens that all radio and television networks are congested with political and partisan speeches, and this becomes boring for the listener or the viewer. This is likely to cause serious prejudice to politics itself and to depreciate, in the eyes of the people, the idea of greatness and nobility of political competition that every responsible citizen should have.

Therefore, the principle now before the house enables us to consider other amendments, like the one I just talked about, to the effect that the board of broadcast governors could exercise the rights it holds under section 1 of the said act which authorizes the board of broadcast governors to exercise a more effective control on political programs during election campaigns in order not to supersaturate televiewers who cannot but listen to often boring political speeches broadcast on radio and television. In my opinion, there is a problem there that should be considered.

Mr. Speaker, another problem comes up, particularly in the province of Quebec and in Quebec city.

Through CFCF-TV station in Quebec, political programs of a separatist nature are broadcast every week by one Léo Tremblay, a true paranoiac who constantly attacks confederation and federal institutions. There is also the leader of the RIN that my hon. friends opposite have the opportunity like me to hear and who preaches secession from confederation.

I am in favour of the absolute respect of democratic procedures, in favour of the fullest freedom of speech, but I have the right to denounce an obvious violation of section 10 of the Broadcasting Act. Section 10 reads as follows—

Mr. Bélanger: Mr. Speaker—

Mr. Choquette: —and it is related to section 17 which we are considering now—before my hon. friend raises unnecessarily a point of order—

Mr. Bélanger: I just wanted to ask the hon. member whether he would allow me to ask him a question.

Mr. Choquette: Yes, Mr. Speaker.

[*Text*]

The Acting Speaker (Mr. Batten): Is the hon. gentleman rising on a question of privilege?

An hon. Member: No.

[*Translation*]

Mr. Bélanger: I am merely asking the permission to put a question to the hon. member.

Mr. Choquette: By all means.

Mr. Bélanger: Does the hon. member think it is worse to criticize confederation than to criticize the Queen?

Mr. Choquette: Mr. Speaker, it seems to me that we are engaging on a fairly controversial subject, and I know of no hon. member sitting in the House of Commons presently who has ever criticized in any way a reigning monarch. I do not know a single case when that happened. Perhaps the hon. member is referring to certain statements of principle I made and I do not regret. Indeed, Mr. Speaker, I have always advocated that Canada must be truly Canadian and have truly distinctive symbols. I would ask, for instance, the hon. member if he agrees with me when I set forth principles that are not

an attack against the reigning sovereign and a lawfully constituted authority.

Mr. Speaker, I now come to section 10 of the act—

[*Text*]

The Acting Speaker (Mr. Batten): Order. I shall have to ask the hon. member for Lotbinière (Mr. Choquette) to discuss the principle of the bill before us.

[*Translation*]

Mr. Choquette: Mr. Speaker, I readily submit to your ruling in discussing the bill under consideration. Its purpose is to amend a clause concerning programs of a political nature. We agree, Mr. Speaker, with the amendment as stated; that amendment is so clear and so interesting that we are naturally inclined to relate this principle to another one which is just as important.

So that clause 17 is well understood, I should like to read section 10 of the Broadcasting Act, which is as follows:

> The board shall, for the purpose of ensuring the continued existence and efficient operation of a national broadcasting system and the provision of a varied and comprehensive broadcasting service of a high standard that is basically Canadian in content and character, regulate the establishment and operation of networks of broadcasting stations, the activities of public and private broadcasting stations in Canada and the relationship between them and provide for the final determination of all matters and questions in relation thereto.

Mr. Speaker, that section cannot be clearer and when television stations allow political speeches aimed at destroying the federal system as such, when political programs of a partisan nature endeavour to disrupt the federal system as it is, I say that those programs are basically illegal and that section 15 as well as section 18 of the Broadcasting Act should apply in order to prohibit such programs.

That is why I commend the hon. member for Halton (Mr. Harley) who made a point of clarifing the situation concerning political broadcasts.

I hope that, when his bill is referred to the committee on privileges and elections, the Broadcasting Act will be fully reviewed, so as to allow the board of broadcast governors to exercise its prerogatives, powers and duties, as set out therein.

Mr. Speaker, I agree with the hon. member for Halton and I just had those few remarks to make.

[*Text*]

Mr. H. A. Olson (Medicine Hat): I agree there is a desperate need for some amendment to the regulations respecting political broadcasting during political campaigns, and particularly before election dates, which is the main matter dealt with in this bill. I am not sure what the interpretation of one of the clauses should be—whether or not there are to be two consecutive days preceding the election or whether there will be one day ahead of the election date. It is not completely clear and perhaps it can be clarified.

This matter of public relations and the persuasion of the public by political parties is very difficult to control. It is also, in my opinion, a most difficult task to write a set of regulations which would have the effect of providing equal opportunity for the various political parties so as not to give one of them an advantage over the others. This is true, I think, notwithstanding the size of the various parties, if we consider that size on the basis of representation in the House of Commons is the criterion. We know, for example, that we cannot even buy national network time from the C.B.C. for political broadcasting. Some time is made available, but it is granted as free time. I do not intend to argue now whether this is an advantage or not, but I certainly do have a grievance about the way in which this time is apportioned. For example, at federal level the corporation imposes a number of conditions which a political party must meet before it gets any time at all. Yet we know that they violate more than 50 per cent of those conditions in the apportionment of the free time. Even worse, they do not use the same formula when it comes to granting free time in connection with provincial elections. I know that in Alberta during the years 1959 to 1963 there were 61 Social Credit members of the legislature and one Conservative. During all that time the Conservatives got equal time; the Conservative party had just as much time as the Social Credit party, in spite of the fact that the proportion of representation in the house was 61 to 1. There were times when the New Democratic party, for example, were granted equal time, and they did not have any members. I am not exactly sure what the case is now, but I think the Conservatives are still getting free time on provincial affairs broadcasts, and they do not have any members in either the Alberta house or the British Columbia house.

This may be a proper way to do it. I think the practice in the province of Alberta and the province of British Columbia, where they give this free time on provincial affairs broadcasts to all the four political parties who have

run nearly a full slate of candidates, and so on, is the right one; but I say the same formula should be applied to the federal arena. During the years 1958 to 1962, when we did not have any representation in this House of Commons, they did not give us any time at all. So some major overhauling needs to be done with regard to the regulations governing the apportionment of time.

I really cannot see much point in having regulations at all if you are not going to follow them. Some of the regulations we have now demand, for example, that you run candidates in at least three provinces before getting time on national broadcasts. They say that you must contest more than 50 per cent of the seats in Canada—in other words, 133—and there are a number of other conditions. We know that the way in which this time is apportioned today is such that they do not even follow the formula set down, and therefore it is time there was a major overhaul of the whole situation regarding broadcasting time.

Getting back to one of the other points raised by the hon. member for Halton (Mr. Harley) when he introduced this bill, I would refer to the matter of trying to equalize to some degree the opportunity for advertising between the press and the other media of public communication and information. I know that to suggest to the press that they should not accept any advertisements from political parties on the day before the election, or even on election day, would cause them immediately to scream about the freedom of the press. As far as I am concerned, Mr. Speaker, the press includes television and radio, in the present context of their function in our social order. So if we are going to insist that the radio stations and the television stations are prevented from carrying partisan political broadcasts during a specified period before election day, this should apply to the printed press as well. I am one of those who believes that the influence television and radio have on the general public, or the electorate, today is equal to or perhaps even greater than that of the printed page; therefore I see no logic at all in separating one from the other. Perhaps a case can be made out for allowing television and radio stations to continue partisan political broadcasting right up to the day before election day, but I am not arguing that at the moment; I am arguing that as far as I am concerned these three mediums cannot and should not be divided.

[Mr. Olson.]

As far as some of the other provisions of the bill are concerned, the matter of prohibiting political broadcasts in one part of the country that is far removed from where the election is taking place is, to my mind, a silly rule. I wholeheartedly agree with the provision here to the effect that it would only need to be prohibited in the actual area where the election was taking place. That certainly seems to me a sensible thing to do. In closing, Mr. Speaker, I should like to emphasize that there are a great many other difficulties and anomalies in the present regulations as they apply to partisan political broadcasting, and I think this whole matter should be reviewed by a committee of the House of Commons. We should either come up with something that is reasonable and equitable to all parties and to the mediums involved, or withdraw all the regulations and allow the television stations and the radio stations to do exactly what the newspapers are doing.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, it would seem that most hon. members who have spoken thus far have been in complete accord with the terms of the bill as presented to us. As a matter of fact, if I thought for one moment that Your Honour would allow a discourse this afternoon that was irrelevant, such as was the case with a previous speaker, there are a few things I would like to say with regard to other debates this week; but of course I know Your Honour would not allow this. With regard to the bill before us, I think it has some good aspects and there are good and sufficient reasons for us to consider it closely to see whether there is not also a bad feature in regard to the practice thus far. I agree with the limitation contained in the amending clause 17(1)(b)(ii). I think this is a proper limitation to place on the provisions of the present act. On the other hand, in the explanatory notes for clause 1 it is stated:

The revised clause continues this prohibition—

I do not think this is quite right and I would like to say that so far as the bad features of the amendments in the bill are concerned, it is my belief—and I know this is just a part of the thinking in the amendment—that when we are concerned with a general election, by the time the public have absorbed all they have listened to or watched or read, they have had enough by the Friday night prior to an election. I am one of those who believe that the extension of the extra day is indeed not necessary.

Let us look at what might happen. I do not suggest for one minute that any citizen of Canada who offers himself as a candidate for election would follow a course which would not be acceptable in the public eye, but if we were to accept such an amendment and continue broadcasting, particularly by television, on through the Saturday evening prior to an election, you would reach a situation where a candidate might well make some statement against his opponent which could not in any other way be refuted or dealt with, so far as the public was concerned, either by the press or by public meeting, because immediately we would run into the restriction in respect to the following Sunday and Monday. Then you would have a situation where a candidate could possibly take advantage of his opponent or opponents, and as I said before without any recourse being given the other candidate or candidates in the field.

There is some merit in all the other things which have been said, but in regard to the amendments which are before us I say again that I believe it has been the practice in these particular fields of communication to deal with the situation judiciously so that an embarrassing or hypothetical situation such as has been mentioned here several times does not occur. If it does occur and the two areas are far enough apart, then the broadcasting corporation itself would take care of the matter in the best way possible for the two areas concerned without causing a breach of the rules, and yet seeing that justice is done so far as the candidates are concerned. Therefore, Mr. Speaker, regrettably I would be one of those who suggests that another thought be given to the amendments before any action is taken with regard to sending this matter to the committee.

[*Translation*]

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, I was greatly interested in the comments of the previous speakers, the hon. member for Halton (Mr. Harley), the sponsor of the bill, as well as the member for Cariboo (Mr. Leboe), without forgetting, of course the humorous but very pertinent remarks of my good friend, the hon. member for Lotbinière (Mr. Choquette) in connection with Bill No. C-25 under study this afternoon.

The purposes of the bill have been clearly explained by the sponsor himself and are set forth in the explanatory notes of the bill. It is more especially a question of amending a single subsection, that is subsection 1 of section 17 of the Broadcasting Act.

Under paragraph (b) of subsection (1), no radio or television station is allowed to broadcast a political program on any of the two consecutive days before a federal, provincial or municipal election.

As it was pointed out a while ago, that provision gives rise to some rather unusual situations. Indeed, it means that if there was a municipal election in Vancouver, for instance, it would be illegal to broadcast political programs in other parts of the country during the three days preceding voting day. In the case of a provincial election in New Brunswick or of a municipal election in the west, the radio and television stations of the province concerned would not be allowed to broadcast political programs.

Of course, that is but an example, since there is no question of a provincial election in New Brunswick, for everybody knows we have there at present an excellent government.

Coming back to section 17 of Bill No. C-25, I hold that this legislation, as drafted, is ridiculous and should be amended, but I should first of all point out that the amendment itself, as proposed by the hon. member for Halton, could be somewhat amended were it referred to a committee, for we see, for instance, that the amendment, as proposed, is as follows and I quote section 17 (1)(b)(ii):

> (ii) intended to be received by the public within the electoral district either directly or through the medium of relay stations.

Mr. Speaker, I contend that the term "electoral district", even if those two words give a very good definition of a federal or provincial riding, could not be a proper definition of a municipal division, at the municipal level, where we have wards or subdivisions rather than electoral districts.

Now, the explanatory notes of the bill refer us to page 4117 of *Hansard*, volume 4, 1958, where we see that the then minister of national revenue proposed to refer that matter to a committee of the house. I fully agree with the then minister and with the hon. member for Halton.

Of course, when we speak of a committee with that in mind, it would be, in this case, the committee on privileges and elections. This committee, recently formed for the duration of the session, will, no doubt, consider fairly soon the Canada Elections Act. Members of the committee will, therefore, have the opportunity of considering the problem and finding a solution in conformity

with the Canada Elections Act and the Broadcasting Act, and in accordance with the facts.

Subsection 1 of section 99 of the Canada Elections Act reads as follows:

> No person shall be allowed to broadcast a speech or any entertainment or advertising program over the radio, on the ordinary polling day and on the two days immediately preceding it, in favour or on behalf of any political party or any candidate at an election.

Mr. Speaker, I must point out that paragraph 1 of section 99 of the Canada Elections Act does not stipulate any penalty. On the other hand, paragraph 2 of the same section deals with broadcasts coming from outside the country.

For instance, if candidates in federal elections in Canada go to the state of Maine and use the local television stations to broadcast political programs to Canada during an election campaign, they commit an illegal act, although there was a time when, during an election campaign, a candidate was allowed to cross over to the United States and use the services of American radio and television stations to explain, from outside Canada his political principles to a Canadian audience.

Mr. Speaker, subsection 2 of section 99 of the Canada Elections Act, as opposed to subsection 1, provides a penalty, whereas section 18 of the Broadcasting Act stipulates that:

> Every person who violates any of the provisions of this part or the regulations is guilty of an offence punishable on summary conviction as provided in the Criminal Code.

This means that we have two acts which completely contradict one another, since the penalty clause in the Broadcasting Act refers to the Criminal Code, while the penalty clause in the Canada Elections Act provides its own penalty.

Therefore, this is a second or third discrepancy which should be studied and rectified by suggesting to the committee on privileges and elections that the appropriate and necessary amendments be made.

Mr. Speaker, if I may make a few remarks, I should like to point out that this is not the only section of the Broadcasting Act which should be revised. Many others should be looked into, as mentioned by hon. members who spoke before me.

On the other hand, how is it that radio and television stations can boost the price of their programs during an election campaign?

How is it that we read in the press and hear on the radio that politicians, regardless of political affiliations, spend too much money on election campaigns? But we seldom read an article in the newspapers or hear commentaries over the radio or television blaming those who are actually making electoral campaigns more and more costly. I believe that we should adopt legislation or promulgate regulations establishing maximum costs so as to prevent radio or television station owners from taking advantage of elections which have come up frequently these last few years, by raising their prices and thus increasing their profits at the expense of those who wish to carve out a career for themselves in politics or become members of the federal or provincial parliament in order to serve the public.

Mr. Speaker, before closing my remarks, I wish to point out that a way of settling this last problem would be to allow free periods of time for radio or television broadcasts during election campaigns. Of course, these free periods should be limited, but equally apportioned between all legitimate candidates running in an election, in order that every one of them might have the same opportunity to express their views and make themselves heard, without having to be millionaires for that.

[*Text*]

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, I move:

> That this bill be not now read a second time but that the subject matter thereof be referred to the standing committee on privileges and elections for further study.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am only going to take about two minutes so there will be plenty of opportunity to vote on this motion. I want to make three points, and because of the lack of time they will necessarily be disjointed. First may I suggest that the time within which election broadcasting is carried on should be limited because of the fact that most of the people of the country now feel that election campaigns are far too long. We first confuse and stun people, and then we allow them to vote. My suggestion would be that a total period of 30 days terminating just before the election should be established as the time within which broadcasting may take place.

Second, I suggest that the question of dramatized form is innocuous. The hon. member for Lotbinière (Mr. Choquette), who spoke in this debate, when in full exercise of his oratorical powers could very well be accused of making a dramatized election speech. I say this in the most kindly way, of course, but this indicates the inadvisability of including this particular provision. Are we to allow people to vote, and then say to them

that the insidious propaganda of a dramatized political program is going to deprive them of the ability to exercise their right to vote in a free and independent way? I think this is nonsense.

Finally I make the suggestion that surely we should not presume to legislate on behalf of the provinces. We should make provision that the part of the section prohibiting these broadcasts in respect of provincial legislatures or municipal corporations will apply only when the provincial legislature has seen fit to adopt and ratify it. There may be provinces who feel that their citizens are made of hardier stuff than those in other parts of Canada and who might be prepared to allow their people to be subjected to propaganda on the radio and television media. With these changes I suggest that the hon. member has done a service in bringing this matter to our attention, but we should have regard to more than what is included in the bill.

Motion (Mr. MacNaught) agreed to.

The Acting Speaker (Mr. Batten): Order. Is the house willing to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): Then the hour for consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the house leader to put on *Hansard* the business for next week.

Mr. Favreau: Mr. Speaker, beginning on Monday, and proceeding in succession until each item has been exhausted, we will complete second reading of the bill to amend the National Defence Act. Then we will take the resolution preceding a bill to provide for the payment of certain provincial fees and taxes by crown corporations, after which we will discuss the resolution preceding the bill to amend the Exchequer Court Act. We will then take second reading of the bill to amend the Income Tax Act, after which we will proceed with second reading of the bill to amend the Estate Tax Act.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, May 11, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. GRÉGOIRE—ACCURACY OF STATISTICS RESPECTING UNEMPLOYMENT

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I rise on a question of privilege. It is a matter which, in my opinion, reflects on the rights of every member and those of the Canadian people. My question of privilege is directed to the Minister of Labour (Mr. MacEachen), and I regret that he is not in the house at the present time.

The statistics provided by the Department of Labour, and consequently by the Minister of Labour, concerning unemployment in Canada do not show the real situation.

In fact, we learned recently that in the province of Quebec there are as many unemployed people not registered on unemployment lists as there are registered. Therefore, it means that the number of unemployed would be twice the number given by official statistics. Now, the use of false statistics is likely to mislead hon. members.

I might have raised a grievance on that matter, but since the ministers and government members, in turn, refer to those statistics to praise the government and try to blot out the true situation, I thought it was appropriate to make it a question of privilege.

Therefore, I ask the Minister of Labour to see to it that his staff and officials give us the exact figures concerning the number of unemployed in the province of Quebec and all across Canada so that we will not be misled by the figures now provided to us and by the statistics as they are compiled.

[*Text*]

STANDING ORDERS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Edmund Asselin (Notre Dame de Grâce) presented the first report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

TRADE

GATT—REPORT ON OPENING MINISTERIAL SESSION

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I have just returned from the opening ministerial session of the Kennedy round of trade and tariff negotiations in Geneva. I ask the permission of the house to table the official text, in French and English, of the report adopted at the meeting.

Mr. Speaker: Does the house grant permission?

Some hon. Members: Agreed.

Mr. Sharp: Mr. Speaker, let me deal briefly with the main decisions of the GATT meeting, particularly as they relate to Canada. First, the trade negotiating committee explicitly recognized that Canada is a country with a trade and economic structure such that the simple across the board formula for tariff negotiations would not yield reciprocity of benefit. The procedures for our participation have been agreed. Canada will begin the negotiations by offering concessions equivalent in value to the trade and economic benefits we may expect to receive.

Second, for the main industrialized countries, including the United States, the European common market, Britain and Japan, the working hypothesis will be an across the board cut of 50 per cent in their tariffs.

Third, it has been agreed that the exchange of offers will be made on September 10. Countries participating on the basis of across the board cuts will on that date notify the other negotiating countries of their list of exceptions to the general 50 per cent rule. Canada, on the other hand, will be starting from a positive list of offers of concessions. I confirmed that we are prepared to table our offer on the same date, September 10. Consultations with industry have been under way for some weeks during which hundreds of submissions have been received. I am confident that we shall be able to analyse these submissions and be in a position to table the Canadian offer on the agreed date.

Fourth, it was decided that for the countries participating on the basis of across the board cuts, exceptions are to be limited to a bare minimum required by overriding national importance.

As far as tariffs on industrial goods are concerned, these were the main decisions. The difficult question of disparities between

tariff levels and how to deal with them is not yet resolved. Nor has satisfactory progress yet been achieved with respect to procedures for the negotiation of agricultural products. As hon. members will see when they read the report I have just tabled, the ministers confirmed that the negotiations shall provide for acceptable conditions of access to world markets for agricultural products. While detailed negotiations have already been initiated with respect to wheat and other grains, the general rules and procedures for agricultural negotiations have yet to be worked out. Canada and other agricultural exporting countries expressed in strong terms their concern with this lack of agreement as to the treatment to be applied to agricultural products, and it was agreed that the necessary rules and procedures shall be established at an early date.

On the whole I believe this was a useful meeting. It committed the members of GATT to a timetable and to a number of procedures that should facilitate the forthcoming negotiations. Needless to say we did not resolve all our difficulties. Much remains to be accomplished even before September 10, and the subsequent negotiations themselves will probably last for many, many months beyond that date. Nor is this surprising, for never before has the world attempted such a far reaching attack on international barriers to trade.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the minister is to be congratulated on making his statement in the house, but not on the luminous nature of the statement. Indeed, I doubt whether I have ever heard a statement made in respect of a matter of such transcendent importance as trade as the one just made by the minister. Everything is postponed. Negotiations are to continue. Hope of ultimate success in some fields is held out. This is a far cry on this sixtieth day of this session from the enthusiastic and optimistic statements made when hon. members opposite were in opposition about how simple the problem was going to be and how they were going to bring about an expansion and an extension of world trade.

In so far as agricultural products are concerned, I recall so well that when we were in power we were endeavouring to ensure the protection of Canada's position in the European common market. Those who now sit opposite were most critical of our stand in that regard. As agricultural exporters the reduction of tariffs on agricultural products is of prime importance to our country. Barriers against wheat imports are most important.

The minister has stated that no longer is the Liberal party—and this has been so for some months now—in favour of what it so strongly advocated when in opposition, namely a 50 per cent cut across the board in tariffs. It now has taken up the position which we had assumed; yet when we took the stand that a 50 per cent cut would be detrimental to Canada, more serious to Canada than possibly to any other country, the answer was that it could be done. In office hon. gentlemen opposite have found that what they advocated in opposition has been ineffective and has had to be retreated from.

Altogether, Mr. Speaker, I must say that the report is one of the most disappointing that the house has yet heard from the minister. In place of the optimism of the past there is today not even qualified optimism. There is uncertainty, if not a degree of hopelessness, which does not spell well for the future negotiations which will take place. All of us had hoped that out of this Kennedy round would come new expansion and development of trade; but certainly up to the present time, with the exception of platitudes and highest expectations, little or nothing has been done.

Mr. Reid Scott (Danforth): Mr. Speaker, I had not intended to comment on this matter, but in view of what the Leader of the Opposition has said perhaps I should say something. The minister is undertaking very delicate and difficult negotiations and it seems to me that it is a time for as little carping criticism as possible—

Some hon. Members: Oh, oh.

Mr. Scott: —in view of the very important nature of these negotiations and the vital effect which they will have on the future economy of our country.

I think the minister has given us a note of cautious optimism this afternoon. There are circumstances in connection with these talks which were not in evidence at Brussels, but at the same time we still do not know what the French are up to and we do not know what the Germans are up to.

An hon. Member: We do not know what you are up to.

Mr. Scott: But I know what you are up to, and I think by this time all of Canada knows what you are up to.

We do hope that as the talks proceed the minister will be able to resolve one of the most vital problems which, of course, is the problem of agriculture. Although at the moment there seems to be no clear indication where the talks are going on the whole, as I have said, we are glad to have this report and we hope that as negotiations proceed some of the more difficult aspects can be

resolved so that future reports will contain something a little more concrete which we can discuss.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I think we can all agree that the announcement the Minister of Trade and Commerce has just made in respect of new negotiations on world trade and commerce concerns probably the most ambitious undertaking the world has ever known to reduce tariffs in all fields. We are disappointed, of course, that there has not been more progress that could be announced at this date. We are particularly disappointed at the indication in the minister's speech that there was almost no progress in resolving these problems relating to trade in agricultural products.

I want to say to the minister, however, that we hope this problem does not get blown up to such magnitude it prevents progress in other fields. We know from the past few months that there have been some very serious ramifications in other relationships between countries because this matter of agricultural trade is one in which emotion runs very high. We hope there will be, as I said, more progress, and we would not like to see these discussions bog down so that progress is prevented in other fields.

We are also a bit apprehensive about the package or packages the minister intends to offer on September 10. We hope he has communicated sufficiently with all the industries involved and has, in fact, received some approval and co-operation or promise of co-operation from them so that we do not have a situation in which one segment of our industry is going to be sacrificed or partially sacrificed to the advantage of some other segment.

There is one other point I should mention, and that is this matter of some new and more workable means of international settlements. We believe this is a most important new departure in world trade that needs to be developed, and while the minister did not say anything about it in his statement today we hope Canadians are leading the discussions in attempting to arrive at some new and more workable means of making these international settlements.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we are happy to see that the Minister of Trade and Commerce (Mr. Sharp) has returned safe and sound from the Geneva conference. We listened very closely and have noted that he stated that various countries in the world are trying to improve their respective economic standards of living.

We find that every country is looking for foreign markets, in other words they are trying to increase their exports as much as possible and, to help them, it is announced that certain tariff barriers between those various countries are being removed.

Shortly, at another meeting, another decicision will be taken on September 10, but to date I think few changes were made in regard to imports or exports or in regard to trade with other countries.

Every country has to cope with an overabundance of goods and products, and they all are seeking exterior outlets, while neglecting the domestic market.

When he was in Geneva the minister certainly realized that all countries have to face the same problems. We all have products to export. There are certain financial obstacles which threaten smoother relations between countries, as there are financial obstacles inside this and other countries which impair the disposal of existing goods, and preventing satisfaction of our domestic needs.

I ask the minister when he returns to Geneva, to suggest in turn to all those countries that they control or settle their own domestic problems. Then we shall see that the international question will be much more easily settled. Yet this way we shall not only assist our farmers, but our businessmen and industrialists as well and improve our economic system, because we shall help our own people first, which is what we want to do.

[*Text*]

WHEAT—ANNOUNCEMENT OF FURTHER SALE TO RED CHINA

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I rise with some diffidence to make another announcement and I do hope this one will not disappoint the Leader of the Opposition as much as my previous announcement apparently did.

The Canadian wheat board is announcing in Winnipeg today that under the provisions of the second long term wheat agreement with China a further sales contract has been signed to provide for the export of 1,075,000 long tons, 5 per cent more or less, of wheat of which one million tons will be shipped from Pacific coast ports during July to December and the balance of 75,000 tons from St. Lawrence river ports during the period May through December, 1964. Assuming the full tolerance is taken, this amounts to slightly over 42 million bushels.

Including the sales contract covered by this announcement, total sales under the second long term agreement amount to 2.1 million tons or approximately 77.4 million bushels. As in the previous sales contracts, payment terms for sales under the long term agreement are 25 per cent cash when each vessel is loaded

and the balance of 75 per cent in 18 months with interest. The deferred payment provision is made possible by a guarantee to the Canadian wheat board by the government of Canada.

[*Later:*]

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to address a question to the Minister of Trade and Commerce arising out of the statement he made today, and ask him whether there is any flour involved in the recent wheat sale to China, and if he would give the same priority to the sale of wheat flour as he indicated to the hon. member for Burnaby-Coquitlam he would give to sales of wheat so that our flour mills may continue to operate at their present capacity beyond July 1.

Hon. Mitchell Sharp (Minister of Trade and Commerce): In the announcement I made earlier today, only wheat was involved. I can assure the hon. member that wherever possible we try to sell flour, but the choice is the buyer's choice and if we cannot sell flour we sell wheat.

Mr. Robert Simpson (Churchill): Would the minister advise the house whether a decision has already been made, in connection with the delivery of this grain to China, that none of it will be shipped through the port of Churchill? Was any consideration given to this aspect of the subject?

Mr. Sharp: The question of the ports of shipment was discussed between the Chinese authorities and the Canadian wheat board and they made the choice in accordance with the announcement I made today, namely that most of the grain should go from the Pacific coast ports and the balance from the St. Lawrence ports.

HARBOURS

LEGISLATIVE PROVISION FOR ESTABLISHMENT OF HARBOUR COMMISSIONS

Hon. G. J. McIlraith (for the Minister of Transport) moved the first reading of Bill No. S-10 (from the Senate), to provide for the establishment of harbour commissions.

Some hon. Members: Explain.

Mr. McIlraith: Mr. Speaker, this bill was presented in the other place at the last session and the bill now brought forward is the same, with the exception that amendments have been made in some of the minor clauses arising out of the proceedings in committee in the other place. There is also a change in the schedule to the bill by deleting the reference to Toronto and Hamilton. Otherwise the bill is the same.

[Mr. Sharp.]

Motion agreed to and bill read the first time.

EXPORTS CREDITS INSURANCE ACT

AMENDMENTS RESPECTING LIABILITY OF CORPORATION AND EXPORTERS, ETC.

Hon. Mitchell Sharp (Minister of Trade and Commerce) moved:

That the house do go into the committee of the whole at its next sitting to consider the following resolution, which has been recommended to the house by His Excellency:—

That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase from four hundred million dollars to six hundred million dollars the limit of the liability of the Export Credits Insurance Corporation under contracts of insurance entered into under section 21 of the act; to enable the aggregate liability of importers under all instruments guaranteed by or payable to the said corporation to be increased from three hundred million dollars to four hundred million dollars; to permit the said corporation to enter into reciprocal arrangements with export credit insurers in other countries for the reinsurance of liabilities under contracts of insurance with exporters; and to provide further for certain consequential changes in connection with the administration of the act.

Motion agreed to.

FARM CREDIT ACT

AMENDMENTS INCREASING AUTHORIZED CAPITAL, MAXIMUM LOAN LIMITS, ETC.

Hon. Harry W. Hays (Minister of Agriculture) moved:

That the house do go into committee of the whole at its next sitting to consider the following resolution, which has been recommended to the house by His Excellency:—

That it is expedient to introduce a measure to amend the Farm Credit Act to increase the authorized capital of the farm credit corporation from sixteen million dollars to twenty four million dollars and thereby to increase the maximum borrowing capacity of the said corporation from four hundred million dollars to six hundred million dollars; to increase the maximum loan limits under part II of the said act from twenty thousand dollars to forty thousand dollars; to increase the maximum loan limits under part III of the said act from twenty seven thousand five hundred dollars to fifty five thousand dollars; and to provide further for certain other changes in connection with the administration and operation of the said act.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

TRANSPORT OF EQUIPMENT OF CANADIAN BOBSLED TEAM

Question No. 264—**Mr. Horner (Acadia):**

1. Did the United States of America provide free transportation for the toboggan and other equipment for the world championship team when it returned to Canada from Innsbruck, Austria?

2. Was there not available any space in one or other of the many Canadian government aircraft which go back and forth between the European continent and Canada?

Mr. Lamontagne: 1. The government has no direct knowledge of personnel or baggage, Canadian or otherwise, carried on U.S. aircraft, but it is understood that the items mentioned were transported aboard a U.S. aircraft from Innsbruck, Austria, to Lake Placid, N.Y., where the team was to compete.

2. Answered by 1 above.

* CLOSING OF R.C.A.F. STATION EDGAR

Question No. 401—**Mr. Rynard:**

1. What is the likely closing date of R.C.A.F. station Edgar?
2. What provision will be made to provide other employment in the immediate area for the civilians presently employed at R.C.A.F. station Edgar and resident in that area?
3. Is any consideration being given to the establishment of a federal project in this area?

Mr. MacNaught: 1. The operational function of station Edgar will terminate on April 1, 1964, but the total time taken to close the station will depend upon the disposition of the unit's equipment and personnel and the relocation of certain operational facilities necessary to ensure continued operational coverage. However, it is expected that this station will be reduced to caretaker status by August 31, 1964.

2. All civilian employees will be interviewed by personnel officers of the department to determine their availability for transfer beyond the immediate locality in the event they cannot be placed locally. All employees will be interviewed and registered by the national employment service. The civil service commission and government departments in the area will be provided with particulars affecting all employees scheduled for lay-off. Every effort will be made to find other employment for these persons who are scheduled for lay-off, and these efforts will continue after the station closes down. The employees for whom other employment cannot be found will be placed on an official lay-off list and will be given preference in appointment to future vacancies with the government service.

3. No.

TRANS-CANADA HIGHWAY—RELOCATION COST, NEW BRUNSWICK

Question No. 735—**Mr. MacRae:**

1. What is the cost of the new alternative trans-Canada highway which will of necessity be constructed in York county, New Brunswick, as a result of the building of the Mactaquac dam?
2. What percentage will be paid by the federal government?
3. What percentage will be paid and charged to the Mactaquac project?

Mr. Deschatelets: 1. $9.7 million (estimated).

2. 90 per cent.

3. It does not appear that any part of the construction costs of the highway will be chargeable to the Mactaquac project. Right of way costs are a provincial responsibility along with costs incurred in the settlement of damage or other claims resulting from the construction of the Mactaquac project.

*EXCHANGE OF EDUCATORS

Question No. 748—**Mr. Mather:**

Has the government consulted with the provinces with the objective of working out arrangements for the exchange of educators between the province of Quebec and other provinces, and vice-versa, in order to better the understanding among all sections of Canada?

Mr. Davis: This is clearly a matter pertaining to education and hence is subject to provincial jurisdiction. The federal government has not received any representation which would indicate that the provinces consider this matter an appropriate subject for federal-provincial consultation at this time.

DOMINION-PROVINCIAL HIGHWAY POLICY

Question No. 754—**Mr. Stefanson:**

1. When does the government plan on convening a federal-provincial conference to formulate a national highway policy?
2. For what reasons did this conference not take place last fall as indicated in the statement made by the Minister of Public Works to the House of Commons on July 17, 1963?
3. Have federal government officials held discussions with any provincial government officials and, if so, from what provinces and when and where did such discussions take place?
4. Have written invitations been extended to the provincial governments to participate in such a conference?

Mr. Deschatelets: 1. Please refer to my statement to the house on 28 April, 1964.

2. See answer to part 1.

3. Yes. Officials of the Department of Public Works met with officials of the different provinces as follows: June 11, 1963 in Fredericton, N.B.; June 27, 1963 in Toronto, Ont.; July 11, 1963 in Ottawa, Ont. with P.E.I. officials; July 17, 1963 in St. John's, Nfld.; July 19, 1963 in Halifax, N.S.; July 26, 1963 in Edmonton, Alta.; July 29, 1963 in Victoria, B.C.; July 31, 1963 in Regina, Sask.; August 1, 1963 in Winnipeg, Man.

4. No.

NATIONAL CAPITAL DISTRICT

Question No. 817—**Mr. Martineau:**

1. What are the names of the municipalities within the national capital area?
2. Has there been any correspondence, communications or negotiations with the governments of the province of Quebec and the province of

Ontario, on the one hand, and the Canadian government, on the other hand, regarding the possible formation of a national capital district?

3. Have the views of the governments of the provinces of Quebec and Ontario been made known to the Canadian government in this regard?

4. Have any of the municipalities within the national capital area been consulted in regard to the possible setting up of a national capital district and, if so, what were, in each case, the views expressed?

5. Is the government considering presenting legislation proposing the setting up of a national capital district?

Mr. Deschatelets: 1. The administrative structures located within the national capital region are: seven counties, three cities, five towns, 35 townships, nine villages, and 12 police villages.

Within Ontario these are: (a) counties, Carleton, Prescott and Russell, Lanark; (b) cities, Ottawa*, Eastview*; (c) towns, Almonte; (d) townships, Gloucester*, Nepean*, Osgoode, North Gower, Goulbern, March, Huntley, Torbolton, Fitzroy, Cumberland, Russell, Pakenham, Ramsay, Beckwith; (e) villages, Rockcliffe Park*, Stittsville, Richmond; (f) police villages, City View*, Cumberland, Embrun, Kenmore, Manotick*, Metcalfe, Navan, North Gower, Orleans*, Osgoode, Russell, Vars.

Within Quebec these are: (a) counties, Gatineau, Hull, Papineau, Pontiac; (b) cities, Hull*; (c) towns, Buckingham, Gatineau*, Pointe-Gatineau*, Aylmer*; (d) townships, Buckingham, Buckingham West, Buckingham South East, L'Ange-Gardien, Portland, Portland West, Aldfield, Onslow, Onslow South, Perkins*, Templeton West*, Templeton East*, East Part of Templeton East*, Eardley, Hull East, Hull South*, Hull West, Masham North, Ste Cécile de Masham, Wakefield, Wakefield East; (e) villages, Anger, Deschenes*, Masson, Templeton*, Quyon, Wakefield.

*Municipalities which form the Ottawa metropolitan area as defined by the dominion bureau of statistics.

2. No.

3. No.

4. No.

5. No.

*NEWFOUNDLAND BROADCASTING CO.

Question No. 828—**Mr. Fisher:**

1. What do the records of the board of broadcast governors indicate as to the ownership of the Newfoundland Broadcasting Company?

2. Is one of the owners a resident in the United States?

3. If so, is this same owner and any other co-owner of Newfoundland Broadcasting Company listed as being owner in whole or in part of radio station CKGM, radio station CJON, T.V. station CJON, T.V. station CJOX, and for the two licences recently awarded by the board of broadcast governors for AM stations at Ottawa and Windsor, issued to Messrs. Bill Stewart and Royce Frith?

4. With regard to the board of broadcast governors recommendations that the Newfoundland Broadcasting Company have the authority to establish a new 1000 watt AM broadcasting station at Grand Falls and another at Grand Bank, Newfoundland, what were the arguments which convinced the board of broadcast governors that the market areas could support another broadcasting station or that there was inadequate radio service choice at the present time?

Mr. MacNaught: I am informed that the board of broadcast governors' records indicate:

1. That the ownership of Newfoundland Broadcasting Company is held by Mr. Geoffrey Stirling, Mr. Donald Jamieson and Mrs. Florence Curnan.

2. That Mrs. Florence Curnan is listed as living in the United States.

3. That Newfoundland Broadcasting Company is the licensee of stations CJON-TV, CJON and CJOX and that neither Mrs. Curnan nor Messrs. Stirling or Jamieson are whole or part owners of the new stations in Ottawa or Windsor. Mr. Stirling is shown as the owner of station CKGM Montreal.

4. That there are three radio systems in the province of Newfoundland, operated by the C.B.C., Colonial Broadcasting System Limited, and Newfoundland Broadcasting Company. It is the view of the board that these systems should be extended to cover the province of Newfoundland to provide variety of choice of radio service as economic conditions warrant. In the particular case referred to, the board was satisfied that the competing systems could meet the competition.

*MRS. JEANNE SAUVÉ—PAYMENTS FROM C.B.C.

Question No. 890—**Mr. Pigeon:**

What total amount did Mrs. Jeanne Sauvé draw from the C.B.C. since her employment on certain programs of the C.B.C.?

[*Translation*]

Mr. MacNaught: The C.B.C. has advised me that it is not customary to have the corporation reveal the fees paid to participants of programs, because it could prejudice the corporation's interests which must meet competition.

[*Text*]

MINES CONVENTION—PARTICIPATION BY NORTHERN AFFAIRS DEPARTMENT

Question No. 898—**Mr. Latulippe:**

1. Was the Minister of Northern Affairs and National Resources represented at the convention of the Canadian institute of mines and metallurgy held recently at the Queen Elizabeth hotel in Montreal?

2. Did the Department of Northern Affairs and National Resources make any grant toward the organization of that convention?

3. If officials of that department participated in that convention, what are their names, and in what capacity did they participate?

4. On that occasion, was the department represented by Mr. R. F. Legett of the national research council?

[*Translation*]

Answer: 1. Yes, the minister and his special assistant attended the annual dinner.

2. No.

3. Mr. J. L. Jenness, economic adviser, delegate; Mr. E. R. Weick, economic division, delegate; Mr. H. M. Babcock, economic division (was only one day at the convention); Mr. K. J. Christie, chief engineer of mines, resources division, delegate and member of the institute's committee of the award for bravery; Mr. A. T. Jordan, chief inspector of mines, resources division, delegate and member of the institute's committee of the Ryan trophy.

4. No.

[*Text*]

TRANSPORT DEPARTMENT TENDER 8B-6029

Question No. 908—**Mr. MacEwan:**

Did the Department of Transport, under the terms of tender 8B-6029, call for 16 separate items and, if so (a) was the contract awarded to the two lowest over-all tenderers and (b) for what reasons was the contract so awarded?

Mr. Pickersgill: The Department of Transport under the terms of tender 8B-6029 called for 16 items, that is 10 different sizes of buoys, some of which were for delivery to two or three locations.

(a) The contract was awarded to the lowest over-all tenderers and (b) the reasons for so awarding the contract are: (i) lowest over-all tenders meeting departmental specifications and (ii) acceptance of equipment which entailed lowest cost to the department.

TENDERS FOR POST OFFICE BOXES, AMOS, QUE.

Question No. 917—**Mr. Laprise:**

1. As new boxes must be installed in the Amos post office, and since the layout of the boxes must be changed, have new tenders been called for this work?

2. If new tenders have been called, when is the work expected to commence?

[*Translation*]

Answer: 1. Yes.

2. Before the end of this month.

[*Text*]

INVESTIGATION OF AFFAIRS OF BLIND PERSONS

Question No. 940—**Mr. Mather:**

Is the government giving consideration to the appointment of a royal commission or special committee to investigate the affairs of blind persons in Canada?

Miss LaMarsh: As this is a matter of government policy any announcement will be made by the government at the appropriate time.

GREATER CANADIAN PARTICIPATION IN WEST INDIES

Question No. 942—**Mr. Latulippe:**

1. Does the Canadian government have an official delegate to the commonwealth parliamentary association's conference on parliamentary procedure which is taking, or has taken, place in London?

2. Is Canada considering the possibilities of assuming protectoral responsibility for the Windward and Leeward islands, and for the British section of the Virgin islands?

3. Is Canada considering the possibility of more intensive participation in the political life of the West Indies wth respect to finance, trade and defence?

4. What is the status of Canada's present diplomatic relations with the Virgin islands, Trinidad and Tobago, Jamaica, and the Windward and Leeward islands?

5. Over the past three years, what were the main Canadian imports and exports to and from these countries, and the values and quantities involved?

6. Does Canada, at the present time, have special agreements in the matters of finance, trade, external affairs and defence, with these countries?

7. Have the abovementioned countries made representations of any kind to Canada with a view to fuller Canadian participation in their political, economic and social life?

[*Translation*]

Answer: 1. No. However, a representative of the Canadian section of the commonwealth parliamentary association follows the course offered by the conference on parliamentary procedure.

2. No.

3. No.

4. Canada maintains diplomatic relations with Trinidad and Tobago through a high commissioner's office which was established in Port of Spain soon after Trinidad became independent in 1962. Canada also maintains diplomatic relations with Jamaica through a high commissioner's office which was established in Kingston soon after this country became independent in 1962. Canada has no diplomatic relations with the Windward and Leeward islands, or with the British section of the Virgin islands.

5. (See attached appendix)

6. Two agreements are presently in force: (a) Canada, on July 6, 1925, signed in Ottawa an agreement which, among other things, deals with trade with Trinidad and Tobago, Jamaica, and the Windward and Leeward islands; (b) Canada and the former West Indies Federation signed notes which were exchanged on October 18, 1958, implementing mutual statements of principles issued by the two countries to promote the cooperative economic development of the West Indies.

7. No.

Appendix

5. Chief exports to Trinidad and Tobago, with their value and quantity.[1]

	1961	1962	1963
		(thousands of dollars)	
Total exports	$18,398	$14,817	$16,213
Main items			
Wheat flour	$2,306 (cwt.[2] 583868)	$2,472 (569834)	$3,040 (628937)
Fish (not canned)	$683 (cwt. 36955)	$823 (40493)	$3,040 (44097)
Wood	$378 (m.s.f.[3] 3991)	$469 (4898)	$679 (4587)
Meat	$577 (cwt. 26281)	$598 (28273)	$646 (31092)
Fish (not canned)	$669 (cwt. 17130)	$429 (10738)	$473 (12339)
Newsprint	$393 (cwt. 63769)	$365 (59389)	$471 (71409)
Knitware	$99 (lbs. 28262)	$257 (87392)	$414 (130981)
Potatoes (not seed)	$179 (lbs. 9053491)	$296 (16387023)	$384 (17663123)
Milk powder	$74 (cwt. 9408)	$133 (17043)	$379 (29796)
Furniture and ornaments	$347 (not indicated)	$347 (not indicated)	$372 (not indicated)
Cotton fabrics	$321 (lbs. 276389)	$408 (368809)	$357 (303874)

[1]In brackets, under each item.
[2]Hundredweight (cwt).
[3]Million square feet.

Chief imports from Trinidad and Tobago with their value and quantity.[1]

	1961	1962	1963
		(thousands of dollars)	
Total imports	$14,375	$14,100	$15,871
Main items			
Crude petroleum	$4,895 (bbl.[4] 2982084)	$7,768 (3937433)	$7,179 (3475443)
Raw sugar	$3,526 (cwt.[2] 933260)	$3,227 (906398)	$5,146 (617079)
Molasses	$759 (gal. 5746916)	$491 (3575748)	$1,903 (8080542)
Fuel oils	$2,975 (gal. 49855821)	$1,801 (23322850)	$384 (4334371)
Coffee (green)	$143 (lbs. 708322)	$22 (76560)	$203 (780494)
Rum	$436 (gal. of proof 95211)	$381 (78509)	$300 (65933)

[1]In brackets, under each item.
[2]Hundredweight (cwt).
[4]Barrel.

Questions

Chief exports to Jamaica as well as their value and quantity.[1]

	1961	1962	1963
		(in millions of dollars)	
Total exports	$19,077	$21,891	$22,271
Main items			
Uncanned fish	$3,298 (cwt. 210012)	$3,824 (226328)	$4,294 (239284)
Wheat flour	$2,782 (cwt. 679165)	$2,832 (643991)	$2,681 (569059)
Canned fish	$1,211 (cwt. 42895)	$468 (49338)	$1,434 (57853)
Material	$406 (lbs. 366714)	$667 (606280)	$1,034 (787950)
Motor vehicles and parts	$1,112 (No. 551)	$1,309 (No. 612)	$1,206 (No. 464)
Newsprint	$709 (cwt. 112286)	$775 (119640)	$651 (105183)
Tires and tubes	$273 (No. 12842)	$359 (No. 17428)	$648 (No. 53805)
Leather	$306 (sq. ft. 73244)	$365 (873039)	$608 (1446632)
Tobacco	$426 (lbs. 597330)	$487 (686930)	$307 (429600)
Malt	$260 (cwt. 54671)	$298 (59412)	$261 (50062)
Total imports	$38,511	$39,721	$51,524
Main articles	$27,785	$29,813	$33,431
Bauxite and alumina	(cwt. 8743492)	(9516855)	(33431331)
Unrefined sugar	$8,838 (cwt. 2343862)	$8,384 (2324351)	$15,859 (1792169)
	$500 (lbs. 909915)	$111 (190400)	$433 (7594)
Orange juice	$7 (gal. 1986)	$27 (9235)	$355 (118502)
Rum	$312 (gal. of proof 121557)	$239 (72935)	$230 (69862)
Fresh oranges of the mandarin type	$18 (lbs. 358270)	$23 (361060)	$129 (159264)

[1]Between brackets under each item.

[2]Hundredweight.

The chief exports to the Windward and Leeward islands, and to the British section of the Virgin islands, their value and quantity.[1]

	1961	1962	1963
		(thousands of dollars)	
Total exports	$4828	$5642	$6596
Main items			
Wheat flour	$1739	$1824	$1993
	(cwt.[2] 439241)	(426579)	(425442)
Fish, not canned	$823	$1012	$1187
	(cwt. 51085)	(55730)	(57172)
Wood	$433	$450	$457
	(m.f.b.m.[3] 3208)	(3341)	(3120)
Sugar	$—	$77	$292
	(lbs. —)	(1406773)	(3426625)
Meat	$192	$191	$189
	(cwt. 8178)	(7246)	(7105)
Fish, canned	$195	$188	$149
	(cwt. 5715)	(5221)	(4206)
Footwear	$41	$71	$104
	(Pairs 21539)	(35255)	(51278)

[1]In brackets under each item.

[2]Hundredweight.

[3]Millions of feet board measure.

Chief Canadian imports from Windward and Leeward islands and British section of Virgin islands, their value and quantity.[1]

	1961	1962	1963
		(thousands of dollars)	
Total imports	$1261	$1686	$2202
Main items			
Sugar	$842	$1223	$1671
	(cwt.[2] 235138)	(336683)	(229386)
Molasses	$—	$—	$201
	(gall. —)	(—)	(875200)
Nutmeg and nutmeg flour	$232	$194	$183
	(lbs. 218535)	(265013)	(198213)
Farinaceous matters	$46	$87	$73
	(lbs. 400,000)	(660,000)	(525,000)
Cocoabeans	$45	$29	$24
	(lbs. 180,700)	(121,400)	(66,000)

[1]In brackets under each item.

[2]Hundredweight.

[*Text*]

PROVISION OF ADDITIONAL HELICOPTER, PRINCE RUPERT, B.C.

Question No. 956—**Mr. Howard:**

Has any study been made of the need to station an additional helicopter at Prince Rupert, B.C. and, if so, what are the results of that study and when will the additional helicopter be stationed there?

Mr. Pickersgill: No.

REPAIRS TO FEDERAL BUILDINGS, NOVA SCOTIA

Question No. 962—**Mr. Coates:**

What is the estimated cost of repairs to be carried out on federal buildings in Amherst, Springhill, Parrsboro, and Oxford, Nova Scotia, for the fiscal year 1964-65?

Mr. Deschatelets: The estimated cost of repairs to be carried out during the 1964-65 fiscal year is $3,400, broken down as follows: Amherst, $100; Springhill, $100; Parrsboro, $600; Oxford, $2,600.

WHARVES AND BREAKWATERS, INVERNESS-RICHMOND, N.S.

Question No. 972—**Mr. Coates:**

1. On what wharves or breakwaters in Inverness-Richmond will repairs be effected during the fiscal year 1964-65, and what will be the estimated cost of repairs on each facility?

2. What new wharf or breakwater projects will be carried out in Inverness-Richmond during the fiscal year 1964-65 and what will be the estimated cost of each new facility?

Mr. Deschatelets: 1. The following repair projects are expected to be carried out in Inverness-Richmond during the 1964-65 fiscal year: Babin's Cove, wharf repairs, $9,300; Cheticamp Point, harbour repairs, $3,000; Little Anse, breakwater repairs, $4,000; Little Judique Ponds, breakwater repairs, $4,160; Pleasant Bay, harbour repairs, $1,600; St. Rose, approach repairs, $3,000; Arichat, wharf repairs, $5,100; Creignish, breakwater repairs, $15,000; Grand Etang, pier and skidway repairs, $14,000; Louisburg, wharf repairs, $16,000; Fourchu, wharf repairs, $5,100; Pondville, wharf repairs, $2,000; Rockdale, wharf repairs, $2,000; Margaree Harbour, breakwater reconstruction, $14,600; Margaree Harbour, harbour repairs, $30,000; Little Judique Harbour, repairs to harbour facilities, $52,000; Port Hood, wharf repairs, $85,000.

2. The following new projects are expected to be carried out: Meat Cove, groynes, $4,600; Port Hood, temporary wharf facilities, $7,000; Main-a-Dieu, wharf improvements (to complete), $2,500; Little Judique Ponds, harbour improvements (to complete), $7,000.

RURAL ROUTE CHANGES

Question No. 973—**Mr. Coates:**

How many new rural routes or additions to existing rural routes were approved by the Post Office Department for the years, 1958, 1959, 1960, 1961, 1962 and 1963?

Mr. Nicholson:

Fiscal year	New rural routes	Extensions
1958-59	75	985
1959-60	89	1,006
1960-61	66	1,160
1961-62	69	1,142
1962-63	49	1,094
1963-64	51	1,111

SALES TAX ON DRUGS

Question No. 976—**Mr. Knowles:**

For each of the last five years for which statistics are available, what was the total amount of sales tax collected by the federal government on (a) prescription drugs (b) all drugs other than prescription drugs?

Mr. McIlraith: This information is not available. Statistics relating to sales tax collected according to commodities are not maintained.

CONSTRUCTION OF BRIDGES, P.E.I.

Question No. 990—**Mr. Macquarrie:**

1. Is it the government's intention to erect a temporary bridge to replace the structure over Covehead bay in the Prince Edward Island National Park destroyed some months ago?

Order for Return

2. What is the total length of the detour to travellers of the Gulf Shore highway necessitated by the loss of the Covehead bridge?

3. When is it intended to construct a new permanent link?

4. What will be the nature of the new bridge?

5. When is it intended to construct a bridge across Rustico harbour to join Robinson's island with the western portion of the gulf shore highway?

6. What type bridge is to be erected?

Mr. Laing: 1. No.

2. Total length 9¼ miles, which is 4½ miles longer than the gulf shore route.

3. Construction is to start this summer.

4. The bridge will be a six span precast concrete deck structure having a 24'-0" roadway with two sidewalks, one 5'-0" wide and the other 3'-0" wide. The superstructure will be supported on five concrete piers and two abutments founded on steel piles. The overall length of the bridge will be 661'-4" out to out of abutments.

5 and 6. Final decisions have not yet been taken.

INVITATIONS TO EXTERNAL AFFAIRS MINISTER, SKEENA CONSTITUENCY

Question No. 1005—**Mr. Howard:**

Has the Secretary of State for External Affairs been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Martin (Essex East): No.

INVITATIONS TO HEALTH AND WELFARE MINISTER, SKEENA CONSTITUENCY

Question No. 1,015—**Mr. Howard:**

Has the Minister of National Health and Welfare been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Miss LaMarsh: No.

QUESTION PASSED AS ORDER FOR RETURN

RESTAURANT CONCESSIONS AT AIRPORTS

Question No. 778—**Mr. Horner (Jasper-Edson):**

1. In the new international airports at Winnipeg, Edmonton, and Toronto (a) who has the concession for (i) restaurants (ii) lounges (b) if rented, was this on a tender basis and, if so, who else tendered and what were the amounts of each tender (c) who are the directors of the companies involved?

2. Does T.C.A. have a contract with Aerocaterers Limited and, if so, when was it signed originally and who were the signing personnel for this contract, and any others since then?

3. What is the expected revenue from all sources at each of the new airports at Edmonton, Winnipeg and Toronto?

Inquiries of the Ministry

4. What is total cost to date including buildings and runways of the new airports at Edmonton, Winnipeg, and Toronto?

Return tabled.

NATIONAL DEFENCE

PROTESTS RESPECTING BENEFITS PLAN FOR RETIRING PERSONNEL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, because of the fact that the matter comes under two departments I will direct my question to the Prime Minister and ask him whether the government is giving consideration to the complaints being received from members of the armed forces who are being compulsorily and mandatorily retired, particularly in connection with the question of income tax being imposed on the bulk sum in the year in which the payment is made.

Has the government given consideration to extending the payment over a period of years, or at least to permitting income tax to be paid on that basis rather than having the imposition made immediately the payment is made to a discharged member of the armed forces?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, so far as I am aware I have not received complaints myself, but perhaps some of my colleagues have. I shall look into the matter, and if complaints have been received we will give consideration to the suggestion made by the right hon. gentleman.

TRADE

PROPOSED VISIT BY MINISTER TO EASTERN EUROPEAN COUNTRIES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce and ask him if the press reports are correct that he will be heading a trade delegation to the Soviet union later this year. May I further ask him if the matter of continued sales of wheat to that country will be on the agenda for discussion?

Hon. Mitchell Sharp (Minister of Trade and Commerce): May I say to the hon. gentleman, Mr. Speaker, I was as surprised as perhaps he was to read this report in the paper this morning. I do intend to make a trip to the Soviet union, and I hope to other countries in eastern Europe, but I have not laid any plans for this purpose and the story that appears in the paper is purely speculative. I can assure the hon. gentleman, however, that if I have the opportunity of going I shall be discussing wheat before anything else.

[Mr. Horner (Jasper-Edson).]

EXTERNAL AFFAIRS

CYPRUS—NUMBER OF TROOPS UNDER U.N. COMMAND

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs, but in his absence perhaps I may direct it to the parliamentary secretary. What is the total number of troops now under United Nations command in Cyprus, and have any United Kingdom troops been withdrawn as yet from the United Nations force and replaced by troops from other participating countries?

Mr. Stanley Haidasz (Parliamentary Secretary to Secretary of State for External Affairs): I shall take this question as notice, Mr. Speaker.

NATO—RENEGOTIATION OF CANADIAN COMMITMENTS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I wish to direct a question to the Minister of National Defence.

In view of NATO's rather uncertain future, following discussions now being held in Europe, will the minister take this opportunity to renegotiate the scope of his military contribution to that organization, as he advocated when he sat in opposition?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am one of those people who firmly believe that NATO will remain strong and unified as it has been in the past, and thus contribute to the maintenance of stability both in Europe and the rest of the world. As far as our commitments are concerned, at the present time they run to the end of 1966, and we have already forecast in the white paper, if my hon. friend is familiar with it, that there will be renegotiation of commitments which will be in effect from that time.

DOMINICAN REPUBLIC—DEPORTATION OF HOLDER OF CANADIAN PASSPORT

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Is the minister aware that a per-

son holding a Canadian passport has been deported from the Dominican Republic and, if so, what does his department intend to do in that respect?

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I shall take this question as notice.

FINANCE

PROPOSED ALTERATIONS IN WORLD MONETARY SYSTEM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Finance. In view of newspaper reports that the world's ten leading industrial nations have been wrestling in secret talks with various proposed alterations of the world's monetary system, would the minister inform the house whether a representative of the Department of Finance or the Bank of Canada has been participating in these talks? If so, has he any information he can give the house in connection with the government's attitude toward the proposals designed to increase monetary liquidity in the future through international co-operation?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I wish to thank the hon. member for giving me notice of this question. Talks have been going on for some time on this very important and complex question, and Canada has been participating in those talks. When we have something specific to report to the house I will be very glad to make a report, but I do not have anything further to add at this time.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question, Mr. Speaker, could the minister tell us who the representatives are who have been taking part in these discussions on Canada's behalf?

Mr. Gordon: The official who has been participating is Mr. Plumptre, the assistant deputy minister of finance. I hope to participate myself at a meeting of this group in June.

INQUIRY AS TO CHANGE IN DOMESTIC MONETARY POLICY

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Finance. I am sorry that I did not give him notice of it, because he would have had the opportunity to meditate a little.

In view of the alarming situation of our economy, does the minister consider making a few changes in his monetary policy so as to relieve poverty amidst plenty in Canada?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): I cannot accept the premise upon which the hon. member has based a question of this importance. I think it is fair to say that the economy of the country has not been stronger than it is now for many, many years.

Some hon. Members: The devalued dollar.

Mr. Gordon: All the indices are going up. If the hon. member wishes to see it I will be glad to send him a copy of a speech I made a week ago on this subject.

[*Translation*]

Mr. Caouette: A supplementary question, Mr. Speaker. Could the minister give us the exact number of unemployed in Canada at the present time, which would prove, by the same token, whether or not prosperity is prevailing in the country?

[*Text*]

PUBLIC SERVICE

FORMATION OF NEW ASSOCIATION OF FRENCH CANADIAN EMPLOYEES

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to put a question to the Prime Minister. Following the announcement that certain federal civil servants, more particularly the French Canadian group, have decided to form their own association which will be independent of the national organization, could the Prime Minister assure the house that the group will not be discriminated against by other associations of federal employees?

[*Text*]

Mr. Speaker: Would the hon. member put his question on the order paper in order to get a detailed answer?

ADMINISTRATION OF JUSTICE

MONTREAL—TERMS OF BAIL GRANTED TO MR. BANKS

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I wish to direct a question to the Minister of Justice. According to newspaper reports an order was made by the chief justice of Quebec granting bail to Mr. Banks. I wonder whether the terms of that recognizance

include a condition which would prevent Mr. Banks from leaving Canada.

Hon. Guy Favreau (Minister of Justice): I have not been made aware of the minute details of the terms of the bond. I think this matter has been settled at the instance of counsel representing the attorney general of the province of Quebec. However, I shall be pleased to inquire into the matter.

LEGISLATION RESPECTING DISSEMINATION OF "HATE" LITERATURE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Is the Minister of Justice in a position to advise the house whether the Department of Justice is now engaged in drafting the necessary legislation which will be presented to parliament to deal with the campaign of hate literature? If so, what is the nature of this legislation and when may it be expected to be introduced in the house?

Hon. Guy Favreau (Minister of Justice): With due deference, I doubt whether this is an urgent question within the meaning of your rulings, Mr. Speaker. However, I am pleased to answer the hon. gentleman to the effect that this matter is presently under active pursuance by officials of my department and myself, but I am not yet in a position to report to the government or to make a final submission.

Mr. Diefenbaker: I thank the hon. gentleman and ask him whether this report is justified: "The hon. member for York Centre reported that the Department of Justice is preparing effective legal measures to stop the dissemination of bigotry and racial hatred." Also:

> The wheels of justice are moving again against these maniacs. Our bill will be presented to parliament after consultation with the proper authorities.

Are those statements in accordance with the facts?

Mr. Speaker: This is the first time I have had an opportunity, if it is the right opportunity, of applying one of my instructions. It seems to fit the case. Questions should not inquire whether statements made in newspapers are correct.

Mr. Diefenbaker: Then, with due deference to that ruling, I ask the minister whether legislation is being prepared to meet the situation, and whether it will be presented soon.

Mr. Favreau: Well, I just gave an answer to the first part of that question. As to the second part, I must answer that this will be government policy, to be announced in due course.

QUEBEC—FRAUDULENT BANKRUPTCIES IN HOUSING CONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Minister of Justice. At the request of home builders of the province of Quebec in particular, does the government intend to amend the Bankruptcy Act in order to stem the present wave of fraudulent bankruptcies in the field of housing?

[*Text*]

Mr. Speaker: Unless the minister has a ready answer it seems to me this is a question for the order paper.

Mr. Pigeon: Yes, the minister has his answer ready, Mr. Speaker.

Mr. Favreau: Mr. Speaker, I was just going to make that suggestion.

Mr. Pigeon: I will discuss this matter at ten o'clock, Mr. Speaker.

CANADIAN CONSTITUTION

STATEMENT BY PROVINCIAL MINISTER RESPECTING STATUS OF QUEBEC

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Prime Minister. Can he tell the house whether he approves the statement made by Mr. René Lévesque at St. Mary's College during the week end where he rejected co-operative federalism and advocated the status of associate state for Quebec?

Some hon. Members: No.

[*Text*]

Mr. Speaker: Order.

Mr. Pigeon: This is a very important question, Mr. Speaker. It is the same old bunch.

Mr. Speaker: Without ruling on the importance of the question, I would certainly say it is a very interesting matter. Nevertheless it is out of order.

Mr. Pigeon: Can I raise this matter after ten o'clock?

Mr. Speaker: In my opinion the hon. member's question was not in order. He was simply asking for the opinion of one minister as to a statement made by a minister in another province on another matter.

Mr. Pigeon: It is of great importance.

Hon. Paul Martineau (Pontiac-Témiscamingue): I wish to ask a question pertaining to the same matter. I wonder whether the Prime Minister would like to tell us whether the status of associate state for Quebec comes within the compass of co-operative federalism.

Right Hon. L. B. Pearson (Prime Minister): The status of Quebec and Canada should be well known to the hon. gentleman.

AGRICULTURE

CHEESE—INQUIRY AS TO EXPORT ASSISTANCE

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): I should like to direct a question to the Minister of Agriculture. Is the minister now in a position to inform the house what export assistance will be made available to the cheese producers of Canada? I would remind him that he forecast such assistance in his statement on dairy policy on April 29.

Hon. Harry W. Hays (Minister of Agriculture): I hope the stabilization board will be able to make an announcement tomorrow. It may be of interest to hon. members to know that we have about 46 million pounds of cheese in storage, and that there is a very brisk market for it.

Mr. A. D. Alkenbrack (Prince Edward-Lennox): I wish to ask a supplementary question. With regard to his change in policy whereby the Minister of Agriculture has withdrawn the 30 cent subsidy paid by the government to the producers of cheese milk, will it now become compulsory and statutory that the cheese factories pay the cheese milk producers the 30 cents per hundredweight, since the government now proposes to pay the cheese factories a subsidy of 3.6 cents per pound for first grade cheddar cheese?

Mr. Hays: The policy of the government has always been, through the stabilization board, to pay the 30 cents subsidy to the cheese factories. The payment is now no different except that we are paying 3.6 cents on solids. You get about nine pounds of cheese out of 100 pounds of milk, so this even represents a slight increase for first quality cheese.

Mr. Alkenbrack: I did not get an answer to my question.

Mr. Speaker: Order, please. The hon. member is entering into a debate with the minister.

SOCIAL INSURANCE

NO COMPULSION ON CIVIL SERVANTS TO COMPLETE APPLICATIONS

On the orders of the day:

Mr. H. M. Horner (Jasper-Edson): Mr. Speaker, I have a question for the Minister of Labour. Is the government making it compulsory for all civil servants, whether they are covered by the Unemployment Insurance Act or not, to complete applications for social insurance numbers?

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker.

Mr. Horner (Jasper-Edson): A supplementary question, Mr. Speaker. Will the minister assure the house that there will be no discrimination against those civil servants who do not wish to fill out applications?

Mr. MacEachen: Yes, Mr. Speaker.

CITIZENSHIP ACT

INQUIRY AS TO PROPOSED AMENDMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. My question is based on his reference in Toronto over the week end to the government's proposed amendment to the Citizenship Act, which of course was referred to in the speech from the throne. Can the Prime Minister tell us when this legislation will be introduced and what it will include to make all citizens in Canada equal?

Right Hon. L. B. Pearson (Prime Minister): I am sorry, Mr. Speaker, but I cannot tell my hon. friend when it will be introduced. The government would like to get it before the house as quickly as possible, and when it is introduced I will then be able to report on the details of the legislation.

SHIPPING

SUGGESTED CONFERENCE ON WATER LEVELS OF GREAT LAKES

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. Because of the announcement by Premier Robarts of Ontario that an international conference will be called to discuss water levels on the great lakes, will the minister inform the house whether this government intends sending observers to these meetings?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I noted in the press the announcement that Mr. Robarts had suggested that an international conference on lake levels be held. I also noticed with considerable interest that he suggested it would have to originate at the federal government level. We are at all times in discussion with our U.S. counterparts in

the technical field on these matters. I believe that at the meeting of ministers with the United States secretaries which took place a week or ten days ago the matter was raised but was not discussed in any depth. I am quite certain that the United States government would be happy to discuss this with the Canadian government, and I am quite certain also that an exchange of facts in relation to their position and ours would be beneficial and no doubt will be undertaken.

Hon. Paul Martineau (Pontiac-Témiscamingue): A supplementary question, Mr. Speaker. Have there been any direct talks between the Ontario government and the Canadian government on the subject?

Mr. Laing: Not with me, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Would the minister say whether discussions did take place between the Canadian ministers and the United States ministers when that meeting took place? If so, what was the nature of the discussions; was any course determined on, or was the position such that Canada advanced no particular plan whatever, which apparently was the position when the minister reported to parliament when his estimates were before the house?

Mr. Laing: Mr. Speaker, I might tell the right hon. gentleman that the matter was raised by the Secretary of State for External Affairs. However, very little discussion in depth took place at that time.

Mr. Diefenbaker: What was the nature of the suggestion on the part of the Canadian government, if anything? The hon. gentleman was not so sure the other day. Was he present when these discussions took place between the Secretary of State for External Affairs and the United States ministers?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps I could answer that question. I took part in the discussion with Mr. Udall and other United States ministers, and having agreed that the problem was of course serious we decided what would be the best course to follow in order to bring about the kind of examination which has to be brought about by both countries.

The matter has been referred to technical officials on both sides so that suitable terms of reference can be agreed on for submission to the international joint commission, which as my right hon. friend knows is an international body and is the most appropriate body to make recommendations to the government on this matter.

Mr. Diefenbaker: In view of the fact that the federal government did not see fit to call a conference, would it consider sending representatives to the conference which the premier of Ontario has stated will be called? I think the Prime Minister would agree, would he not, that the action on the part of Mr. Robarts was, to use his expression, bold and imaginative?

Mr. Pearson: Mr. Speaker, I will leave the adjectives to my right hon. friend; but while Mr. Robarts was making his statement the officials were already working on terms of reference for the international joint commission, and on the international joint commission both governments are already represented.

Mr. Diefenbaker: Mr. Speaker, did the Minister of Northern Affairs and National Resources have this information when his estimates were before the house, or did the Prime Minister keep it secret from him?

Mr. Pearson: As I was the minister who took part in the discussion, I thought it appropriate that I should reply, Mr. Speaker.

Mr. Winkler: A supplementary question, Mr. Speaker. I would ask the Minister of Northern Affairs and National Resources, was he aware that some preliminary meetings had taken place? So that I do not have to rise again I will ask a second question. In order that his words are not improperly received I will quote what the premier of Ontario said:

> Ultimate responsibility would probably fall to the...federal government—

Would the minister, then, consider instituting such a conference?

Mr. Laing: Mr. Speaker, I would think, answering the second question, that there will be an official appeal from the premier of Ontario to the government of Canada to initiate such negotiations with the United States. As to the first question, I would not say that meetings have taken place. I said that the matter had been raised by our Secretary of State for External Affairs in the discussions with the United States secretaries, but that not a great deal of discussion had taken place other than the reference to the I.J.C. and the technical studies that are under way.

Mr. Martineau: I have a supplementary question that arises from an answer given by the Prime Minister, who stated that officials were busy preparing terms of reference concerning this matter. My question is, will these terms of reference contain a demand for a study of the Grand canal project?

Mr. Pearson: Mr. Speaker, if that has a bearing on the lake levels it will of course be considered; if it does not, then it probably

would not be appropriate for this particular reference. But this matter is already under consideration by officials on both sides, and the provincial governments, and undoubtedly the state governments, will be kept informed of the discussions as they go on.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister. Has he received a communication from the Quebec premier or from the minister of natural resources asking the federal government's co-operation concerning a study of the problem of the water level in Montreal harbour, the St. Lawrence river and Lac des Deux-Montagnes?

[*Text*]

Mr. Pearson: Mr. Speaker, I do not recall having received such a communication, but I will be glad to look into the matter as soon as I get to my office.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister received a telegram from the association of Vancouver island municipalities urging the federal government to contribute as generously and rapidly as possible to the Alberni valley and west coast disaster fund; and if so, can he indicate to the house the nature of his reply to this telegram?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I received that telegram just before lunch. I have not yet had a chance to look into it. I will do so immediately.

URANIUM

INQUIRY AS TO EXTENSION OF STOCKPILING PROGRAM

On the orders of the day:

Mr. Charles Lamb (Victoria, Ont.): Mr. Speaker I should like to direct my question to the minister of mines. Is he still considering the stockpiling of uranium? I gave the minister written notice of this question and I intend to receive an answer.

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): Mr. Speaker, in answer to the hon. member's question, this was fully discussed last week on orders of the day.

Inquiries of the Ministry

PENSIONS

CANADA PLAN—REQUEST FOR REVISED WHITE PAPER

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Minister of National Health and Welfare, but in her absence I would direct it to the parliamentary secretary. Is it now possible to inform the house when the revised paper on the Canada pension plan will be available?

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would advise the hon. member for Middlesex West that a white paper will be made available at the appropriate time. The government is working on it right now and will make it available as early as possible. The most important new feature is as to survivors and disability benefits, and it would be improper to deal with this matter in a white paper until a constitutional amendment, which enables these benefits to be included in the plan, has been prepared.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister a supplementary question. Can he indicate when the proposal for an amendment to the constitution in connection with this matter will be presented to the house?

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, I cannot give the exact date. We have agreed on a formula of words and as soon as that formula is acceptable to all provinces we will be able to bring it before the house.

GRAIN

WHEAT—EFFECT OF INCREASED DELIVERIES ON LOW QUOTA POINTS

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, on May 7 the hon. member for Moose Jaw-Lake Centre asked a question of the Acting Minister of Trade and Commerce with respect to the supplementary delivery quotas which had been established by the wheat board. The hon. member asked:

> Will the heavy deliveries arising from these extra quotas, at points now on 8 bushel quotas, adversely affect the chances of points not yet on the 8 bushel quota receiving such a quota soon?

I can now answer the hon. gentleman's question. My answer is no; I am advised by the Canadian wheat board that preference for box cars will continue to be given the lower quota points.

National Defence Act

PARLIAMENT BUILDINGS

REQUEST FOR MINIMUM WAGES FOR CAFETERIA AND OTHER EMPLOYEES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct a question to the Minister of Finance or his assistant, although it may have to be referred to another authority. Would the minister advise the house whether arrangements are being made to bring the wage rates of cafeteria and other employees on parliament hill up to at least the minimum wage requirements of the province of Ontario?

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I will have to take this question as notice.

NATIONAL DEFENCE ACT

AMENDMENTS RESPECTING REPLACEMENT OF CHIEFS OF STAFF COMMITTEE

The house resumed, from Friday, May 7, consideration of the motion of Mr. Hellyer for the second reading of Bill No. C-90, to amend the National Defence Act.

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to take the time I have left to deal mainly with two suggestions resulting from the statement made last Friday by the Minister of National Defence (Mr. Hellyer) on the plan now being studied.

First, I think it should be pointed out that the people most directly affected do not seem too happy about the proposals set forth by the minister to compensate the members of the armed forces who will be discharged following the re-organization of the general staff and the armed forces.

Indeed, last week and Saturday in particular, newspapers reported some rather bitter comments made by members of the armed forces or their representatives.

When he replied to a question put by the Leader of the Opposition (Mr. Diefenbaker) this afternoon, the Prime Minister (Mr. Pearson) did not seem aware of the representations and of the fully justified objections made against those decisions.

I feel that those decisions are open to criticism on two counts.

With regard to the government's intention to fully assess the amount of the compensation paid to discharged personnel, I find somewhat strange the intention to tax those allowances paid to the personnel, because a tax is being levied as if it were an income. In this case, it is not an income, but a sum of money, an allowance paid for a specific purpose. That aim is to ensure or facilitate the rehabilitation of military personnel.

It is easy to understand that those soldiers, seamen or airmen, who have served for a number of years in the armed forces, need special provisions to enable them to adjust to civilian life, when they could normally expect, under the terms of their enrolment, to serve the rest of their active life in the armed forces.

That makes me wonder why such a sharp distinction is made between the various ranks of military personnel. Thus, a general with 15 to 20 years' service in the armed forces can expect to get a compensation or gratuity that can amount to several thousands of dollars, whereas an ordinary soldier with the same length of service will receive only a small fraction of that amount.

Yet, would it not be reasonable to think that it would be much more difficult for a private, who perhaps has no trade and surely no savings and few business connections, to rehabilitate himself than it would be for a general who received a very high pay while serving in the armed forces?

Therefore, it seems to me that if the minister intends to pay certain gratuities to discharged personnel for rehabilitation purposes, no distinction should be made on the basis of rank. Both the private and the general gave their time and perhaps sacrificed another career to serve their country and, surely, if for some reason or a policy change they are forced to leave the armed forces and look for a civilian job, no distinction should be made because, after all, such distinctions are only factitious.

Consequently, I move on the one hand, that the compensation paid to officers and servicemen who are forced to retire be income tax free, and, on the other, that the amount of the compensation be allowed to vary according to the number of years of service but not according to the grade of the individual concerned. In addition, I suggest that the compensation be graduated according to the person who retires.

Finally, I believe that the government should take special steps, perhaps along the lines followed after the last world war, to enable retired members of the armed forces to take special courses or learn a trade to facilitate their rehabilitation.

Oftentimes, servicemen, in the army, the air force or the navy, learn a trade which is useless to them once they return to civilian life and, if we want to be really fair to them —and however stirring the minister's call— we must make all these benefits available to these men who are the innocent victims of a

policy change, a change that may be necessary but which is nevertheless a government policy change which vitally affects them as well as their families.

And now, Mr. Speaker, I wish to close my remarks with these few words on the defensive role that Canada should play today. First of all, it should be a role proportionate to the means of our country.

Following the minister's statement it was reported in the press that as a result of these changes a saving of $10 billion was expected during the next ten years. I think that the minister should correct the wrong impression given by his remarks, because after considering them closely one realizes that it will not really be a saving but simply a transfer of certain sums from military personnel or the administration to development of military equipment.

I feel that our country should refrain from trying to play the part of a great power, and especially all parts at the same time. I submit that the efforts of our country should be restricted to the development of an efficient military technology which would give our country the opportunity to equip itself with modern weapons, and this could make all the difference between an obsolete and an adequate defence.

Mr. Speaker, today, the part played by the great powers cannot be determined by the population of a country or even by its resources. There are countries with a very large population which, however, are not great powers. There are some nations with huge natural wealth, which are not among the great powers. For instance, there are India and Brazil, with vast resources and a huge population, but undeveloped yet which do not count among the really great powers in today's accepted meaning of the words.

At the same time, there are some countries with a comparatively small population which, thanks to their very advanced technological achievements, rank among the great powers, like the United Kingdom, which is not among the most populated. There are also France and Germany, instances of highly industrialized nations, with a highly developed industrial potential and a very progressive military technology, which are able to play a key part in international relations.

After all, we just have to think that a country has only to discover a new means of destruction, perhaps a biological or chemical means of warfare, or some death ray, to become a great power. It is a good illustration of the need for Canada to penetrate further into the field of technological and military research.

The minister will admit that, at this time, our country does not make a very marked effort in that direction, and that nothing in the minister's statement implies that the situation will soon be remedied. Because of its refusal to face the need of stressing military research this country will only be a second class nation as long as no decision is taken to the contrary.

I think the minister should show some courage, go ahead and correct that alarming situation.

Mr. Speaker, it would seem that Canada should further direct its efforts towards the setting up of a mobile peace force which would immediately be trained jointly with other nations and put at the disposal of the United Nations organization.

There is, I think, a field where Canada can play a most efficient part, best suited to its way of thinking and its history.

I know that the Prime Minister raised the question. He spoke of negotiations which had started, or were about to start with certain countries to work out this peace force. Well, we would like to have more specific information in this respect. Would the minister tell us how the project could take shape from a military point of view and be integrated in the defence effort of this country.

Speaking about that peace force, I cannot help but think of the situation now prevailing on Cyprus. I believe that if there is now a need to establish a peace force, it is in order to prevent a situation such as the one that occurred and is developing now on the island.

We would have a great many questions to ask the Minister of National Defence regarding the situation of our troops on the island of Cyprus. For instance, we should like to know whether the Canadian contingent is there under the auspices of the United Nations? That question comes to mind, because we do not know to whom the commander in chief of the Canadian force is really responsible.

Moreover, we do not know whether the countries which promised to send a contingent to set up that force will soon keep their promise, because of all the countries which promised to send forces, only Canada has fully carried out its commitment. Up to now, the other countries which had committed themselves to increase the strength of the force have only sent token forces, so that only Canadian and British soldiers make up this peace keeping force.

The conclusion must be reached that instead of being a United Nations force, this force is jointly administered by Canada and

the United Kingdom, whereas the government, and more particularly the Prime Minister, had informed the house of quite definite and specific commitments in this regard. In fact, the Prime Minister stated that this contingent would not be sent to Cyprus, unless it really and effectively constituted a force under the control of the United Nations.

We are led to ask that question by the fact that the United Nations are not responsible for the expenses of the contingent, since Canada itself will assume that burden.

In addition, I think that the minister should give us the assurance that every arrangement has been taken for the security of the Canadian troops now in Cyprus. And still again I blame the government, the Minister of National Defence and the Secretary of State for External Affairs (Mr. Martin) for refusing to disclose the security arrangements essential for our Canadian troops as well as instructions which have been given to them.

I believe that the Canadian people are concerned about the security of our troops in Cyprus, and they wonder also as to the part they are playing there now and will be playing in future.

I am of the opinion that Canada was willing to send a peace force to Cyprus provided its real mission would be to restore peace under the auspices of the United Nations. Up to now, we have not received any assurance from the Minister of National Defence or other ministers in that respect. That is why I say that the minister should take this opportunity, when the whole matter of our defence can be considered, to explain to us the role played by our troops in Cyprus, and especially the security measures taken to ensure their survival and welfare.

In my opinion, if the minister wants to tackle resolutely the problems which we, on this side of the house, have pointed out to him, and if he really wants to give us adequate answers, he will show that he is a great Minister of National Defence, a role he would like to assume and I wish him well. But, up to now he has not proven he could play such a role. So we will be waiting very impatiently for his answers before the end of this debate.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I would like to take the opportunity offered by the debate on setting up a special defence committee to make a few observations.

Some time ago, the minister announced some rather drastic reforms concerning the Canadian armed forces. He informed the house that General Walsh had been appointed chief of the general staff. In this connection, I would like to ask the minister if he is considering giving a special status to General Allard, whose services are highly appreciated within the Canadian armed forces. General Allard could definitely assume greater responsibilities than those he now has, and he would have a part to play if he were associated with General Walsh and jointly in charge of the Canadian armed forces general staff.

Mr. Speaker, I think my suggestion is constructive since it is very difficult for only one man to have complete responsibility over the general staff of Canadian forces. I think that if the minister and the government placed their reliance in General Allard, he could work in co-operation with General Walsh. In fact, those two highly qualified men could do a better job in the interest of the canadian armed forces.

On many occasions we heard the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis), now Minister without Portfolio, discuss before us the Collège Militaire Royal de Saint-Jean. Several hon. members on this side of the house also spoke on that matter and if I refer to pages 249 and 250 of *Hansard* of January 22, 1960, I find a plea made by the hon. member for St. Jean-Iberville-Napierville asking that the Collège Militaire Royal de Saint-Jean be put on the same footing as the Kingston Royal Military College and asking that it be given a complete four-year course.

Mr. Speaker, the present government has now been in office over a year. That pledge to establish a four-year course was made by the hon. member for St. Jean-Iberville-Napierville specially during the last election, and I am wondering what the government is doing in that field.

I wonder what the government proposes to do, if it intends to ignore the oft-repeated request made by the hon. member for St. Jean-Iberville-Napierville. Besides, as I said a little earlier, the hon. member spoke about that during the last election campaign. I wonder what the minister proposes to do. Why did he not tell the house that the course would be complete and on the same footing as the one in Kingston? Has the minister lost faith in the hon. member for St. Jean-Iberville-Napierville, Minister without Portfolio? Does the minister want us, on this side of the house, to rise every day to alert public opinion and indirectly force the government to act?

In my opinion, it is important that the minister tell us what he proposes to do and if he intends to put that college on the same footing as the one in Kingston. Besides, the government has received numerous requests from members belonging to our group, from

Saint-Jean-Baptiste societies and organizations in the province of Quebec, and even in other provinces, to the effect that the course given at the St. Johns Royal Military College should be complete like the one given in Kingston.

This would not exclude the possibility of exchanging students, that is French speaking students could go to Kingston and English speaking students could continue their course at the St. Johns Royal Military College. I believe such a policy would contribute greatly towards national unity.

Mr. Speaker, according to newspaper reports published recently, many Canadian servicemen have made requests to appear before the Laurendeau-Dunton commission in order to state their grievances. The minister announced that he would allow military personnel to submit briefs to the royal commission on biculturalism and bilingualism provided that it be done behind closed doors so as to avoid political controversy.

Mr. Speaker, I should like to point out that according to the press Professor Arsene Lauziere, of the Royal Military College in Kingston, stated that there exists some discrimination against French Canadians at present with respect to promotions within the Canadian army. I feel that such a charge on the part of a professor at the college in Kingston is very serious, because it raises doubts in the minds of Canadians and contributes to disunity in our country.

It is all very well to allow servicemen to explain their grievances to the royal commission on biculturalism, but this does not settle the problem in my opinion, since this investigation may last a year or two and the government will not in the least be bound by the commission's recommendations.

In view of the serious charges made by an official of Kingston Military College and others, I ask the minister whether an investigation could be made within the armed forces, so as to clear up the situation and check whether this professor's statements are true. The minister cannot overlook the serious charges which have been raised. It seems to me that even if the government allows servicemen to explain their grievances to the Laurendeau-Dunton commission, it will not be bound to take action. The only way would be a royal commission which would call witnesses and take action to correct the situation, if there is really discrimination in the armed forces. That is the only way—and there is no other, Mr. Speaker—to remove any doubt in the minds of the Canadian people.

Mr. Speaker, I would be very happy to have the opinion of the minister on that matter.

On the other hand, I have always been concerned about something which has respect to the Canadian forces in NATO. I should like to know whether food and material for the Canadian forces in NATO come from Canada or are supplied by the United States and England. I was told that it was very difficult, in view of the small number of Canadian soldiers now in Europe, as compared to American and English forces, to organize a system to supply the Canadian armed forces with provisions coming from Canada. But I wonder if it would not be possible for the Canadian government to come to an agreement with the United States and England in order to get some compensation. For instance, we might have a special quota; Canada might sell to the United States and England a certain amount of farm products.

The minister knows that we have farm surpluses in Canada at the present time. Canadian farmers—especially those in eastern Canada—are faced with a serious crisis which jeopardizes the Canadian economy because if the citizens of a part of Canada do not have an adequate yearly income, by the same token, the other part of Canada suffers therefrom.

I wonder if it would not be possible to review our agreements completely, so that we Canadians will not be left holding the bag, and so that we will obtain some compensation on the part of the American and British governments.

Mr. Speaker, the Canadian people are presently worried about the situation now developing in Cyprus and about the fate of their troops. We do not know whether Canadian troops will remain three months, three years or five years in Cyprus; the way things are going, these troops will likely have to stay there at least five years. We hope the government will ask authorization from parliament, after the three months' period has expired, to see whether it will agree to extend the stay of Canadian troops in Cyprus.

There appears to be some confusion at this time. What is most unfair, in my opinion, and what completely destroys the authority of the United Nations, is that the Canadian people are obliged to pay the entire cost of their troops' stay in Cyprus. Normally, this expense should be divided among all the member countries of the United Nations. There are some countries, for instance, France and Russia, which, in the past, refused to pay their contribution to the United Nations.

Those same countries have exactly the same right to vote as those who carry out their commitments, such as Canada and the United States.

It is absolutely necessary, at the very next session of the United Nations, that the Secretary of State for External Affairs (Mr. Martin) call upon the secretary general of the United Nations to urge the United Nations, that the cost of the Canadian troops on Cyprus should be paid by them and not only by the Canadian people.

The Canadian people are prepared to do their share for peace, but they do not want, in other words, to be taken in as regards every conflict throughout the world. We have done more than our share to assist the United Nations financially. It is only fair and reasonable that the government, through the Secretary of State for External Affairs, should take a definite stand at the next session of the United Nations.

Normally, the next session of the United Nations should begin in September, but because of the American elections, it will be postponed until November. I hope that the Canadian government will take a definite position in that matter. We are prepared to do our share but we do not want to bleed ourselves white only to be laughed at. We have obligations at home. Unemployment here is startling. In Canada we have 600,000 unemployed. We are prepared to co-operate for peace, but with logic and common sense.

I should like to ask the Minister of National Defence a few questions concerning our Canadian troops on Cyprus. I have it on good authority, from a trustworthy informant, as it was given to me by the very friends of the minister.

I ask the minister the following question.

The most alarming rumours are circulating in Cyprus and in well-informed diplomatic and military circles, with regard to the relations, between General Gyani and a Greek personality in the Cypriot cabinet on the one hand, and Mr. Tuomioja and his assistant, Mr. Millar, on the other hand, which might, according to some reports, in the long run compromise the success of the peace operation and more particularly the position of the force. Those rumours, of which I was informed by a reliable source, left me in the deepest state of alarm. Yet, I would hesitate to give full particulars—though my information is rather specific—before the minister tells us whether my authority is authentic and reliable.

I would like to know, for instance, whether the rumours with regard to the personal relations of General Gyani are well-founded. What is the background of Mr. Millar, and in what way does he assist Mr. Tuomioja? Are the U.N. authorities and the Canadian government fully aware of the situation and of the possible influence the Canadian contingent might wield to make peace prevail?

Second, could I be told whether the Turkish-Cypriot authorities were warned by the U.N. command, according to the terms of reference conferred by Mr. U Thant, of the large scale operations launched by Greek Cypriots against the fort of St. Hilarion? Because, according to other well-founded rumours, the Turkish authorities had not been advised as they should have been, and, knowing that those operations could not have escaped the supervision of the Canadian military personnel, they are said to have tried to shift the blame onto the Canadian soldiers.

I believe, Mr. Speaker, that these allegations are quite serious. It would be most important for the minister to examine this situation and obtain the required information, in order to clear this up before the house and to reassure the people of this country who, as I said, have accepted to send a Canadian contingent to Cyprus and, furthermore, who are paying the full cost thereof.

In closing my remarks, I am asking the minister again: How is the Canadian contingent in Cyprus supplied with food and equipment? It would be most important that the Canadian farmers should not be the losers, and I would be very happy if the minister could consider these suggestions in order to make a report to the house, in the interest of the Canadian taxpayer.

[*Text*]

Mr. Harold E. Winch (Vancouver East): I am very sorry I was not able to be here last Friday when an introductory statement was made on the second reading of this bill. But I am certain, Mr. Speaker, you will realize that when a member of this house is 3,000 miles away from his home city and only takes some two days off in three months to revisit his family and constituents, he is not abusing his position as a member of the House of Commons. Unfortunately, it would be just in those days I took to return to the city of Vancouver that the questions as to the reappointment of the defence committee and second reading of this particular bill came up.

I have only had a few moments in which to glance over the introductory statement made by the Minister of National Defence (Mr. Hellyer) and other statements last Friday, but even so I feel I would like to take a few minutes in which to make some comments.

First, I should like to express my bitter disappointment at the long delay in reappointing the special committee on defence. When this committee brought in its report at the close of the last session there were some 13 important matters which were taken to be of such major seriousness that the committee felt it should be reappointed at an early date in order to deal with them. Had the committee been reappointed early in the present session it could have been investigating these most important matters. We have lost two valuable months. In addition, had the committee been reappointed earlier, the white paper brought down by the Minister of National Defence could have been referred to it immediately for consideration, and by now it could have been the subject of a month's study. I do not know why the committee was not reappointed immediately, especially in view of the importance attached last session to its early establishment. I can only express the hope that the delay was not due to a deliberate act of government policy. I do not think it was the deliberate intention of the Minister of National Defence to delay it. But somebody did, and I only hope that whoever held it up did not do so with the intent of preventing the committee from having sufficient time in which to do the necessary job of studying Canada's defence policy now and in the future. I may say, though, that I am a little suspicious.

I am also disappointed, in view of the agreement that the appointment of the committee last Friday would go without debate but that there would be opportunity during the discussion of this bill for a broad and comprehensive debate on any aspect of defence, that the Minister of National Defence did not give more information to the house than he did last Friday. It appears he did what is normally the correct thing to do, that is, he stayed strictly within the principles of the bill before us. But because of the understanding that there would be an opportunity for a broad discussion on defence I had hoped he would have gone into greater detail about some of the most important questions which face us. First, I think he should have given the house an explanation for changes made in government policy since the end of last session. This was not done and I think it was unfair to members of the House of Commons, who should not have to rely upon what appears in newspapers when they see explanations of these matters. Surely, the house should be told in detail the reasons for any changes in government policy made between the end of last session and the time the minister made his speech the other day. I will return to this in a moment.

I wish now to make mention of the bill before us and the statement by the minister, which I read in the newspapers, about the proposals being made on behalf of those who will be leaving the service because of integration of staff or other changes in policy. As I read the statement of the minister it was based wholly on the making of a cash payment the extent of which was to depend upon the period of service—ten months, and so on—

Mr. Hellyer: Plus a waiving of the pension penalty.

Mr. Winch: Plus certain waivers. I wish to express my extreme regret that this was the only plan considered, or at least that it was the only one proposed. I am in receipt of communications from men in the forces who may be affected. I have heard from one air force base in particular. I am told that after consideration of this matter those who think they might be affected are not so much concerned with receiving a settlement of perhaps ten months' pay on discharge as they are with being readapted into civilian life. In other words, Mr. Speaker, according to the letters sent to me by those in the forces at the present time, they would have preferred an option to this effect, that on their discharge the Department of National Defence or any other department that might be brought into it would see that they receive training in order to readapt them into civilian life, as well as being compensated, of course, on being discharged from the forces for their maintenance during training.

This point in particular was brought to my attention, that the taxpayers of Canada have over the years paid thousands of dollars to train men in individual trades in the navy, the air force and the army. Therefore they have a basic understanding and a thorough knowledge of those trades for military purposes. They say, "Why could we not, then, have the department give us on discharge, or pay for us to undertake, the additional training so we may adapt to civilian occupations what Canada has paid for us to learn for military purposes?" If I had received only one letter on this subject, Mr. Speaker, I would not have raised it, but I have received a number of letters from two of the bases which think they will be affected. According to my information, the majority of men would prefer this kind of treatment on discharge to the $3,000, $4,000, $5,000 or $8,000 they will receive by way of gratuity.

As this information comes from the armed services perhaps there is still time for the Minister of National Defence (Mr. Hellyer) to give consideration to this additional approach to caring for those in our armed forces whose

services may no longer be required in June, at the end of the year, or next year. I think it is a suggestion that is most worthy of consideration by the minister, and is most worthy, Mr. Speaker, coming from these men in the armed forces who say this is what they would prefer; that is, being retrained instead of getting something which may last them for a year or, as was pointed out to me, they may invest it stupidly in a small business, go broke and have nothing. Therefore I hope the minister will consider this proposition put forward by the men themselves, of training for readaptation from military service into civilian occupation.

Now, sir, may I spend a little time on the general principles of defence. I will not deal with this subject in detail because, as I said, I have not had time to go through everything that was said last Friday. I believe the Minister of National Defence did a disservice to this House of Commons in his statement of Friday in not bringing us up to date on the Canadian position, in view of the dissertations and discussions of recent weeks relative to NATO, particularly in regard to Canada's position in NATO relating to all the conflict which, if the newspapers are correct, is now developing. I refer in particular to the position of France toward NATO in view of the de Gaulle policy. If the newspapers are correct, the position taken in the past two or three weeks due to the de Gaulle policy is this: He has pulled out his naval officers because he is not satisfied, and we read of the additional emphasis he is putting on his being the power—this is the only basis upon which you can put his policy—in Europe. In view of this, the house was entitled to know last Friday, not in the future, what the position is, in view of the discussions and dissertations in Europe of the last few weeks, particularly with regard to NATO. We are entitled to know what is the view of the Minister of National Defence and the government on this matter. In particular I think we should have had a detailed answer as to why we are still maintaining air force squadrons in France.

Mr. Speaker, I think it is—I have said it before and I repeat it—absolutely and positively ridiculous and asinine to have a government policy whereby France has its air force to some extent in Germany so they can have nuclear warheads, while we maintain squadrons in France that cannot be similarly equipped. I am against nuclear weapons, but on this facet of the question I cannot understand the stupidity of government thinking, and I cannot understand why the Canadian taxpayer should have to pay to maintain those squadrons in France when France is challenging the very basis of NATO and the co-operative influence and control of NATO. To my mind this just does not make sense. It has not yet been explained; perhaps it will be explained in the defence committee when it meets.

Also, Mr. Speaker, in recent weeks in particular statements have been made by statesmen of the world to the effect that if there is a war in the future—and thank heavens there seems to be a diminution of that possibility—manned bombers are going to play a smaller and smaller part and have a lesser degree of impact. Almost everything I read suggests that the only threat would be from I.C.B.M.'s. That being the case, why does the government continue its present policy? Why does the Minister of National Defence outline in his white paper the policies that are outlined about the expenditures of money by the Canadian taxpayer for his department on something that is utterly useless in the event of war? From all I have read they are still a long way from getting a defence against the I.C.B.M.; but even if the United States is successful in the breakthrough, it is a matter that involves billions of dollars, not only in the breakthrough but in setting up the defensive apparatus. This is something completely out of the field of operation of Canada in any way whatsoever now or in the future. Is there not a better way in which Canadian money could be spent on peace, rather than spending it on our Bomarcs and Voodoos? Is there not an explanation due, not only with regard to present expenditures but also past expenditures? Many of us are still waiting and are intrigued to find out why it was that the former government bought the planes we now have for our squadrons in France and Germany. I understand that we were the only country which bought them to be equipped with nuclear warheads. Now that the CF-104's are in France we have to put in the dual system.

Not long ago I asked a question as to what was the cost of making the change-over, but I could not get this information from the associate minister. Who is paying for this? Who is responsible for the stupidity of ordering planes to be equipped in this fashion, in view of the policy of the French government at that time? Yes, Mr. Speaker, I am looking at the Conservatives, who knew about it at that time. I think the house should have been told about this.

The important matter now is what the policy of this government is today. In my estimation the white paper does not disclose basic, fundamental, futuristic government defence policy. The government is still living in the world of the past, perhaps a little

bit of the present, but not at all of the future. That is why it is interesting to us at this time to note that since the last election we have not heard any more of the previous Liberal policy, and more particularly the policy of the Prime Minister (Mr. Pearson). Under his interpretation of that policy the government had a commitment to fulfil, because of past Conservative policy; but he promised to renegotiate the Canadian position with regard to nuclear warheads. The Minister of National Defence shakes his head. Does the Minister of National Defence deny that that was the statement and the challenge that was made in the last election by the Liberal party and the Prime Minister? It was broadcast across Canada that there would be such a renegotiation, and that it was his desire to negotiate Canada out of the nuclear business. I have not read or heard of any move by the Prime Minister or the Minister of National Defence to renegotiate themselves out of the nuclear business or to renegotiate our position in NATO. I cannot remember seeing or hearing anything to that effect.

I understand from the press that when the defence committee filed its report at the end of the last session there was only one major point on which the minister disagreed with the committee, and that concerned our brigade in Europe and the Honest John nuclear rocket. I have seen no explanation yet of the minister's disagreement on that point. No statement has been made by the minister as to exactly what is the position of our brigade in Europe. Is it a mobile brigade with conventional weapons and high mobility, or is it to be concentrated around poor Honest John? The Minister of National Defence must know that the tactics of conventional warfare are concentration and mobility. The tactics of nuclear warfare are those of dispersal. Yet our brigade in Europe is concentrated around Honest John, which the defence committee had an opportunity of seeing last fall.

Surely Canada is not going to take the initiative in starting a nuclear war. Therefore, in a conventional war we are concentrating on Honest John, which of course would not be used. If an enemy were to start a nuclear war, then instead of the tactic of dispersal we have the tactic of concentration. These are some of the questions which we think should have been answered by this time.

Quite apart from our brigade in Europe, our squadrons in France and the position Canada is now taking with regard to NATO, with what could lead to a breakup, there is also the question of our naval policy. I have not heard one word yet about our naval policy, except with regard to the building of three submarines. Just what the three submarines are going to do, I do not know. These are some of the matters about which I think we should have heard. I doubt whether we will hear about them for a long time, because this will most likely be the last opportunity for some time to have a discussion in the house on defence matters. We can only express the hope that when the committee meets, and meets three months or at the least two months late, there can be the fullest possible information made available, that witnesses and experts will be called and that the Minister of National Defence and the Associate Minister of National Defence will have time to sit in on the deliberations of the committee—because I do not see how these matters can be discussed unless we know the government's views and policies, and are told how they reached their decisions.

At risk of repeating some of the matters which might have been raised on Friday, I should like to close my remarks by expressing my disappointment that our defence committee has lost two months of opportunity. I regret very much that we have not heard more of the fundamental and future policy of the government, especially with regard to what I consider, and what I think the people of Canada consider, the commitment made by the government to get out of the nuclear role. Because it has no place for Canada at all.

The place for Canada is that outlined by our party years ago, and I am mighty glad to see that the Prime Minister is now moving towards it, namely that of a United Nations peace force. There again, sir, I am disappointed. For the past three years two Scandinavian countries have been working on this matter and have reached the point where their legislation is ready. I was very happy to read in the press that the Prime Minister is going to invite countries to a conference to discuss this matter. But we, Mr. Speaker, should have been in the lead, and we would have been in the lead had this government and the previous one listened to the good advice it received from this party in years past.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Speaker, I wish to take this opportunity—

Mr. Deputy Speaker: Order. I notice that the Associate Minister of National Defence (Mr. Cardin) has a few comments to make. I do not know if the hon. member for Lake St. John would give him the floor but, if he does, I will recognize the minister.

Mr. Lessard (Lake St. John): Certainly, Mr. Speaker.

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I did not intend to take part in the debate this afternoon—I know that most members want to see the defence committee set up as soon as possible—but, during the debate, I heard several comments to which I should like to reply, and I must say that the points brought up were rather disappointing. I was particularly surprised at the stand taken by my colleagues, especially the hon. member for Pontiac-Témiscamingue (Mr. Martineau) and the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), when they dealt with the royal commission on bilingualism and biculturalism in relation to the armed forces. In my opinion, there was quite a bit of misunderstanding about that question. It is a fact established by custom and tradition that members of the armed forces do not take part in debates on public or political matters. As a matter of fact, there was only in the house—

Mr. Martineau: May I put a question in order to clear up the matter? Is it not rather a question of prohibiting members of the armed forces from taking part in discussions on political matters?

Mr. Cardin: No, Mr. Speaker. Under the regulations, members of the armed forces are prohibited from taking part in public discussions on controversial matters. Besides, in the house itself, some members of the armed forces were rather strongly criticized for having expressed their personal opinion at a certain time of their career on controversial public matters.

When the royal commission on bilingualism decided to investigate in the Department of National Defence, we saw fit to maintain this tradition, while allowing members of the armed forces to appear before the Laurendeau-Dunton commission, but behind closed doors. Certain persons seem to think that members of the armed forces are being denied a right and that they are considered as second class citizens. I do not see it that way. In my opinion, they are granted a privilege in being able to give evidence in that manner. Many members of the armed forces are given the opportunity to appear freely before a royal commission, secure from any reprisals; they can thus state exactly their problems, as regards bilingualism and biculturalism, in the Department of National Defence. The Laurendeau-Dunton commission will thus be in a position to hear members of the armed forces on this important subject.

Now, I think that it would be absolutely illogical and premature to conduct another investigation as it has been suggested. I think that the Laurendeau-Dunton commission should necessarily be given the opportunity to hear all representations on bilingualism within the Department of National Defence.

My hon. friend from Joliette-L'Assomption-Montcalm referred, a while ago, to what he had read in a newspaper. I am not ready to confirm or accept the newspaper report according to which Mr. Lauziere freely suggested that discrimination existed within the armed forces, and even if he said it, I would not dare justify nor set up a new inquiry into that question of discrimination. If there is any, it certainly did not start this year, it must date back to some time already. The Laurendeau-Dunton commission is making a serious effort, and so is the government, to study the question of bilingualism not only in the country but also within the Department of National Defence. We in the department want to help as much as possible our members to testify freely; we want to give the Laurendeau-Dunton commission all the information and help it needs to reach the proper conclusions.

Mr. Pigeon: I would like to direct only one question to the minister; after that, I shall ask him no more questions.

Since the royal commission on bilingualism and biculturalism only plays a passive role—it hears only grievances—and the government does not have to implement its recommendations—that commission may sit for one or two years—and in view of the serious charges made, could the minister, in the public interest, ask the officials of the Department of National Defence to conduct an inquiry in order to verify the accuracy of those statements?

Mr. Cardin: Mr. Speaker, it seems to me that I have been explaining that for the last few minutes. It is true, as stated by the hon. member, that the government does not have to implement the recommendations of the royal commission. I can say this, however. The government fully intends to see that there is no discrimination within the armed forces or the Department of National Defence. Still, I do not feel it is necessary to carry out another investigation, which would be premature and might prejudice the work of the Laurendeau-Dunton commission.

I should like to point out to my hon. friend that what we are trying to do within the Department of National Defence, has not been done for a long time and is a conscientious effort. We want all Canadians, both English speaking and French speaking, to be treated equally. I admit that there may be certain difficulties within the department but it would not necessarily be intentional discrimination. It may be, for instance, that French Canadian servicemen, because they do not feel quite at

home in an English environment or community, cannot be fully efficient. There may be problems of that nature, and we evidently have the intention of getting to the core of the matter so as to correct the situation.

Mr. Pigeon: I should like to direct a last question to the minister. According to statistics, a mere 2 per cent of high-ranking navy, air force or army officers, who earn $7,000 or more, are French Canadians.

Could the minister say whether that is due to the French Canadians themselves or whether that can be explained by other factors?

For instance, in view of General Allard's competence, could he not hold rank higher than or at least equal to General Walsh?

Mr. Cardin: Mr. Speaker, these questions are exactly those which are to be studied by the Laurendeau-Dunton commission. That is why I maintain that it is useless to carry an investigation within an investigation. This is precisely the point.

Now my hon. friend speaks of General Allard and General Walsh. There is also General Bernatchez. My hon. friend has only mentioned two French Canadian generals but there are others. Even if I do not have the particulars before me, I am convinced that the percentage of French Canadians with senior ranks is much higher than the 2 per cent mentioned by my hon. friend. I think that it is exactly the type of question which will be looked into by the Laurendeau-Dunton commission. Therefore, I see no point in our carrying out another investigation.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) mentioned the establishment of a four year course at the St. Johns Royal Military College. I must say it is not the first time he or I speak of that. It is true that the hon. member for St. Jean-Iberville-Napierville is particularly anxious to have a four year course set up at that institution. Indeed, many other members are also interested in that question.

Moreover, I told my hon. friend some time ago that a thorough study is being carried out in that connection following representations made by the Knights of Columbus, and various other people and organizations. A rather thorough study is being conducted within the Department of National Defence. I was given to understand that this study should be completed in about ten days.

There would no doubt be certain advantages in extending to four years the course given at the St. Johns Royal Military College. However, there are also some disadvantages. According to the experience I was able to acquire in the past year, I feel that the present system involves a decided advantage, since it allows our future officers to get acquainted with their English speaking colleagues so as to get to know each other much better, because after all, those young men will be called upon to work together in the future.

Under the present system, after two years at St. Johns Royal Military College, junior officers are sent to Kingston where they meet their colleagues from other parts of the country. At that time, a state of mind is created which I feel is most useful. Besides, I went personally to the Royal Military College at Kingston where I spoke to young cadet officers who had come there from the military college at St. Johns. I noticed then that they were absolutely delighted to acquire that new experience.

As a matter of fact, I think that it is quite normal, because these young cadet officers during their career might come in contact with one another, and it is important that this may start as soon as possible during their military training. It is a great advantage to be able to exchange cadet officers between military colleges.

Now, as I said to my hon. friend, a report will be submitted very shortly as to whether or not there should be a full four year course at the military college at St. Johns.

[*Text*]

Some question has been raised about the militia, and the reasons why we did not wait for the defence committee to sit before making decisions with regard to the militia. As hon. members know, the department had arranged a certain schedule and under that schedule it was decided that we should try to arrive at a reorganized militia in which the numbers would be somewhere around 30,000. It was after taking that decision that the Suttie commission was instituted, and I can report to the house that the results of the Suttie commission's efforts so far have been most gratifying. They have been able to travel throughout the length and breadth of the country to all areas where militia units have been established. They have made a very thorough and complete study of the problems involved in the militia and, according to schedule, I understand they are to bring down a report by the middle or end of June.

Mr. Smith: Would the minister permit a question on the point he is dealing with before five o'clock? Why did we not wait for Brigadier Suttie's report before a decision was made as to the size of the militia?

Mr. Cardin: Because the size of the militia has a lot to do, as has the rest of the departmental reorganization, with measures of econ-

omy, the question of budgeting and the requirements that will be needed, and it is on this basis that the number was established. We wanted to effect savings, and we also kept in mind what would be required in the field of the militia, and as a fairly rounded number that particular number was chosen.

The Suttie commission will be making its report by the end of June and I feel very confident that it will be most helpful.

The members of the special national defence committee can even now look into the question of the militia. They can come up with suggestions of their own, and I can assure hon. members that these will be seriously considered along with the recommendations made by the Suttie commission. However, I think hon. members realize that if we are going to make some headway there has to be some time limit, and if the committee intends to study this particular question we would hope that it would be able to bring forward a report or suggestions as soon as possible.

There is also the question of the committee not having been set up earlier. I can assure hon. members that if the committee was not set up it was not because national defence was reluctant in any way, shape or form with regard to setting up the defence committee again. On the contrary, both the minister and myself were rather pleased with the way the committee worked last year and we were happy to have it sit again this year. If it was not possible to set it up sooner I want to inform the house it was not because of any reluctance on the part of national defence.

I wonder whether I might call it five o'clock, Mr. Speaker.

Mr. Deputy Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

WATER RESOURCES

GRAND CANAL—INQUIRY AS TO ENGINEERING AND ECONOMIC FEASIBILITIES

Hon. Paul Martineau (Pontiac-Témiscamingue) moved:

That, in the opinion of this house, the government should give consideration to the undertaking of adequate and complete studies to determine the engineering and economic feasibilities of the grand canal proposal and to initiating such negotiations as may be necessary with the provinces of Ontario and Quebec and with the government of the United States to ensure their fullest co-operation in this project and that in particular the government consider:

(1) The problems concerned with the regulation and conservation of the water levels, water flow and water quality on the great lakes, the St. Lawrence river, the Ottawa river, lake Nipissing and the French river which are a matter of increasingly serious and frequently expressed international, national and provincial concern, particularly with regard to the prevailing low water levels on the great lakes and on the Ottawa river, making as one result only the practical extension of new navigation facilities on the Ottawa difficult to accomplish.

(2) The hazards to some of these waters created by increasing industrialization and the resulting increasing demands for withdrawals and consumptive use, particularly on the great lakes-St. Lawrence system.

(3) The effect upon the standard of living of the many and increasing millions of people involved in one way or another with the above bodies of water and the corrective measures of a positive nature that can be undertaken.

(4) The proposal that certain substantial and renewable sources of fresh water be collected by cross channels on the James bay watershed and then be diverted southward by the Ottawa and great lakes by step-pumping developed in economic stages as needs increased making use of the large potential of unharnessed hydro power in that area.

(5) Ways and means to facilitate the early construction of the Ottawa river seaway.

(6) Ways and means to derive the largest possible benefits of a long term nature that may result from the implementation of the Grand canal proposal, such benefits including the revenue from the sale of water to those who would withdraw or consumptively use it, revenue from new hydro power development for the proposed Canadian power grid, new opportunities for northern forest development, new low cost navigation facilities from Montreal to James bay.

He said: Mr. Speaker, the motion now before us has been moved for the purpose of requesting and, in fact, imploring the government to take the necessary action at this time to alleviate a serious and continually deteriorating situation. I have spoken about the low level of water in our great reservoirs of fresh water, the great lakes, and perhaps to a lesser extent in the St. Lawrence river system. The present motion asks for three things. I have been turning them over in my mind and I cannot see one valid reason why the government should hesitate a single second to accept the motion.

One of the things I am asking is that the government initiate a feasibility survey on a project known as the diversion project. The second request is that the government institute talks and consultations with the other governments concerned. I must say, Mr. Speaker, that once again the federal government has abdicated its responsibility in a matter which is crucial to the Canadian people. These consultations are so urgently needed that it has taken another jurisdiction, the government of Ontario, to initiate action that the federal government has failed to take.

I am asking for consultations first of all with the jurisdictions that are masters of the resource in question, the provinces of Ontario and Quebec, and for consultations with the

United States government, whose country is vitally interested in this question.

Finally, the motion asks that the whole matter of water levels on the great lakes, and one project in particular, be referred to the international joint commission. These are simple enough requests. The need is apparent enough, and the negligence of the government has been too apparent. This is an appeal to the government to study the problem of water—water required for increased consumption by the increasing millions of people who are directly interested, living on the shores of the great lakes and within a radius of some hundreds of miles of those bodies of water.

It is also an appeal to the government to show its interest in the development of our natural resources, in the development of cheap, abundant, hydroelectric power which is necessary for expanding our industrial society, and which is also necessary to service the pumping stations that are envisaged by the program the motion outlines. Finally, it is an appeal to the government to look into the existing needs in Canada for more navigable routes to make cheap methods of transportation available to the government and the people of Canada, which would come from an intelligent interest on the part of the government and then action, if action is warranted, to put this plan into execution. I may add that it is also an appeal to the government to aid northern development by favouring the project which is the subject of my motion.

The era of inexhaustible water supplies is fast fading. When I was thinking today of the low water levels on the great lakes I was reminded of the story which I read not very long ago concerning a situation which had developed on the Missouri river in the United States. It is a story told by Mark Twain, the story of an old riverboat captain navigating down the Missouri when the water levels were very low and he was being continually trapped in the sand. At one stage of his journey he saw an old cabin on the side of the river, and someone was outside it dipping water out of the river for his own private uses. The captain excitedly yelled to him, "Put that drop of water back into the river. We need it to navigate." The situation has not reached that stage yet, but the story illustrates in a practical way what the need is and what the need will be as time goes on.

I cannot accept the theory of the minister of northern affairs (Mr. Laing) who has said, "Well, why worry about low water levels today when perhaps next year the levels will be much higher"? Over the long term the story has been one of fast fading water resources, because of mismanagement in the past and of the present tremendously increasing consumption of water. We shall never again live in an era when we will have too much water, and it behoves us to share it on an acceptable basis with others who perhaps have a greater need of it.

President Eisenhower made a statement with respect to water supplies in 1955, and if it was true then it is much truer today. He said:

> If we are to continue to advance agriculturally and industrially, we must make the best use of every drop of water which falls on our soil or can be extracted from the oceans.

Even by 1955 those who had studied the situation saw we would have to convert water into a manageable resource. Today the situation has become more dramatic. Day after day the government is asked to provide some relief, but all it can say is, "Let us pray for rain." That kind of statement denotes a sorry lack of planning, and the absence of a serious approach to a serious situation.

But if the government has done nothing about this situation, fortunately others have. In the forefront of those who have given some study to the problem I would place Mr. Thomas Kierans of Sudbury, who has engineered and fathered a very comprehensive plan known as the Grand canal proposition which, to the minds of more and more informed people, is becoming a practical way of solving the chronic problem of low water levels on the great lakes and providing many other benefits as well.

I have in front of me a model, prepared by Mr. Kierans, showing an outline of the Grand canal proposal, and I may explain that the word "Grand" is an abbreviation of the words "great replenishment and northern development" canal. This is the project which I am asking the government to consider. Some people may say that it is an utopian project and cannot be accomplished in our day.

Even if that were so—and I think I can prove it is not so—the essence of government is, surely, planning and the administration should at least not refuse to consider the proposal. They say it is utopian. But what alternative method is there of providing a benefit which is indispensible to millions of people. In the United States, consideration has been given to the project. We have read of the request made by Senator Hart that the government of the United States should institute talks on this subject—a request which brought out in a dramatic way the great need that exists. Only last week the government of the province of Ontario took action in this regard and increasingly this project is coming to the fore. It has been described as a challenging and an imaginative plan. Moreover, I can add, it

is a realistic one. Yet the government throws up its hands and assumes that what we are facing today is an act of God with which we cannot interfere. This has been made clear many times by the Minister of Northern Affairs and National Resources (Mr. Laing) as well as by the Minister of Industry (Mr. Drury) who admitted that at the joint ministerial meeting held recently no constructive proposal was put forward to deal with this problem.

I should like in the few minutes which remain to me to outline some of the elements of the plan. First, the need for replenishment concerns not only the great lakes but the Ottawa river system and the St. Lawrence river system. This plan envisages making available new run-off water from a suitable portion of the James bay watershed. It is a multiple purpose plan, controllable and expandable, providing a substantial new inflow of water. Depending how far it is completed, it can provide an inflow into the great lakes of between 4,000 and 75,000 cubic feet of water per second. If we consider the benefits which derive from the plan, the cost is relatively modest and from an engineering point of view it has already been accepted by experts in the fields of engineering, hydro-electric development, navigation and so on. Rigid specifications provide long term benefits for large sections of northern Ontario and Quebec. The plan would also provide cheap hydro power by means of a reversible pumped water storage reservoir system. The specification also includes provision for a new, positive international and interstate joint policy in order to manage the level, flow and quality of the water entering the great lakes. It provides for new inflows from the James bay watershed. It provides for a self-liquidating project as a result of payments made by those who will most benefit from the diversion. It means stepped-up development in northern Ontario and Quebec. It means recovered water, not head water run-off—in other words, the water resource affected is one which today serves no useful purpose and which is unlikely to serve any useful purpose in the foreseeable future. The route follows the shortest and lowest elevation to the great lakes, with low cost cut-throughs throughout.

With regard to the administrative authority to be set up—and this is important, because we know that the resource itself comes under provincial jurisdiction—the establishment of an international authority between Canada and the United States is envisaged, as well as a federal-provincial authority including Quebec and Ontario. It has already been stated that the feasibility of the project is established from an engineering point of view. From an economic viewpoint, the cost, as I have mentioned, is not likely to be excessive in relation to the benefits brought about as a result of the increased availability of water. Part of the cost will be recovered out of revenues resulting from increased hydro-electric power. A further element of the cost will be recovered from royalty payments by those using the water. Finally, revenue will accrue from the new navigational possibilities which are envisaged. Further—and this is one of the most attractive features of the whole plan—it provides an effective and plausible means of making the Ottawa river a navigable stream open to deep sea shipping throughout its entire length. I say this because the increased flow of water will raise the level of the Ottawa river to a point at which the amount of dredging and canal work necessary to make the river navigational would be greatly decreased.

These are some of the reasons why I urge the government to give this project the consideration I believe it deserves. I should like, if I may, to table with the consent of the house the specifications which relate to it. These specifications contain an outline of the proposal and a map showing where the diversion will actually take place, traversing as it does the Abitibi region, the Harricanaw, the Timiskaming region, the whole of the Ottawa river system, lake Nipissing, the Mattawa river, French river and, finally, Georgian bay. It also includes definite engineering specifications with regard to some of the problems of a physical nature which are created by the project. Second, the cost of the project is dealt with and, third, the benefits to be obtained are outlined.

I should like to table these documents, the outline and specifications of the Grand canal proposal, as an exhibit. I think the government can still redeem itself. It is not too late. It is never too late. It can redeem itself by accepting this motion and getting busy—by getting its officials to study this plan and meet with those who have already given it the best of their thought and energy, thereby evolving a long term project which would provide immense benefit to all Canadians, particularly those who live in eastern Canada, including northern Ontario and Quebec, and to residents of the Ottawa valley who have for generations been asking that something be done with this majestic river which flows through the very heart of the capital and which now remains unused.

Mr. Deputy Speaker: May I ask the hon. member if the papers to which he refers are official documents?

Mr. Martineau: I would not say they are official. They were prepared by Mr. Thomas Kierans. They are official inasmuch as they relate to this grand canal proposal.

Mr. Deputy Speaker: Then the hon. member may table them with the unanimous consent of the house.

Some hon. Members: Agreed.

Mr. John R. Matheson (Leeds): I am intrigued by the motion put forward by the hon. member for Pontiac-Témiscamingue (Mr. Martineau). One of the questions which appeared shortly after the Christmas recess in my name was question No. 20, which asked:

> What studies have been conducted of the proposals authored by Thomas W. Kierans and O.K.H. Kierans for a great replenishment and northern development canal?

As appears on page 512 of *Hansard* of March 4, 1964, the Minister of Northern Affairs and National Resources (Mr. Laing) gave this answer:

> This proposal, often referred to as the grand canal, was described by Mr. T. W. Kierans before the standing committee on mines, forests and waters on 11 April, 1960. While no detailed studies were undertaken, preliminary examination indicated that it was physically possible but not now economically feasible.
>
> As the water resources of each province are administered by and belong to that province, subject to certain federal responsibilities, e.g. regarding international waters, fisheries and navigation, any feasibility study of a diversion scheme such as this should be undertaken in co-operation with the provinces concerned.

This answer is general in its nature. I have been interested in this subject because of the constituency which I represent, and I was able to obtain certain further information.

Hon. members will remember I have had questions on the order paper such as the one which was answered on April 15, 1964, question No. 623, relating to water levels in lake Ontario and specifically asking the government what have been the causes of the present low water level of lake Ontario. This is a matter of some concern to anybody living in the Thousand islands area. Indeed, we speak of the city where I reside as the Thousand islands city, and I have heard it suggested by some of the people—

An hon. Member: Where is that?

Mr. Matheson: The city of Brockville. The concern of some of the residents, in the sense of their interest in the water, is that if water levels continue to decline as has been experienced this past year, we might be the city of three thousand islands. This is a real possibility, because we have many shoals and rocks throughout this St. Lawrence system which, of course, could seriously impede navigation.

I have a personal interest in water levels. I live in a house that is a good deal older than 100 years, and the eight of us in our house are serviced by a well. It might interest hon. members to know that the principal well driller, Ralph Miller of Hallecks, told me that 100-foot wells are no longer adequate now and that there is a fear that many existing wells may have to be constructed 60 feet deeper because of a sharply lowering water table. This year we have had a poor year because we did not have snow and we have not had sufficient rain. I have observed in my own farm pond, which is stocked with bullheads, that the water level at the present time is about two feet lower than it was a year ago. A series of articles have been published in the principal newspaper in our area regarding this question. The *Recorder and Times* of March 25, 1964 describes the situation in these words:

> Water levels of the St. Lawrence river are at their lowest ebb in 30 years and the situation is causing concern to municipal officials from Iroquois to Gananoque, as well as to shoreline residents whose boathouses and docks are being affected.

When we look at the over-all picture, the situation is becoming rather serious. We have docks that are now many feet above normal position. We have seen a drop in water level of four feet to six feet, and in some areas it has been even more than this. Prescott has been complaining for three weeks of dirty water in the town water supplies; this was on March 25. The situation has been drawn to my attention by Thomas C. Cossitt in letters, and a series of letters have been written to our press; and then, commencing in the month of April we see there has been a steady improvement. The *Recorder and Times* of April 6 tells us:

> Fears had been expressed that navigation might be hindered by the low water now prevailing in the St. Lawrence system. Water levels up and down the stream are two to four feet below normal, but seaway experts said the usual April rains now due should do much to alleviate the situation.

We have not yet had enough rain, but we find the low water problem is substantially easing. In regard to this motion, Mr. Speaker, I point out that there has been a good deal of debate recently on the subject of water. This is helpful and it is an emphasis that certainly, as a representative of Leeds, I am very happy to see. On the south my riding is bounded by the St. Lawrence river in the area between Kingston and Prescott, and on the north it is bounded by the Rideau system. I have had the opportunity on two occasions to navigate in my boat the Rideau canal from Kingston to Ottawa, Ottawa to Montreal and

on to Beauharnois and back again, so I am familiar with the points raised by the hon. member for Pontiac-Témiscamingue when he referred to particular navigation problems as they relate to the Ottawa river.

I think there is a good deal of logic and sense in what was said by the parliamentary secretary to the Minister of Northern Affairs and National Resources (Mr. Turner) when he spoke on May 4, as reported at page 2912 of *Hansard*. He said:

> —given the engineering feasibility, at any point in time, any kind of engineering solution can become economically practicable—

I know, sir, that when I first travelled the Rideau I was amazed at what Colonel By had done 150 years or so ago with respect to these waters. He was able to provide navigation from the Ottawa river to the St. Lawrence river. More particularly, when you ascend or descend the magnificent Carillon locks on the Ottawa you appreciate what really can be done by modern engineering. In the standing committee on external affairs we have had the chance to listen to experts talking about the relative merits of power sites such as Mica, Downie, Luxor, Bull river, Dorr, and we see whether it is in Montana, Washington or British Columbia we can do almost anything we set our minds to do, in an engineering way. Almost anything can be done; the real test is, does it make sense at a particular time? Of course, in determining this we have to recognize this other fact, that no great scheme, engineering or economic, can possibly come to fruition unless there has been a great deal of research and thoughtful consideration given to it long years in advance.

I take considerable satisfaction in the fact that the Minister of Northern Affairs and National Resources on May 5 said that he intends to refer the whole matter of water levels to the standing committee on mines, forests and waters. I ask hon. members of the house to consider whether the hon. member's motion is not too specific in its content. After all, what he is asking us to do is follow six specific recommendations. I think we should have been happier had these recommendations been much more general in character. In particular, he would have the water flowing into the Ottawa river in preference to Georgian bay.

When we look at this gigantic scheme we realize how many different considerations are involved. I must say I have been very much impressed by the presentations of Mr. Tom Kierans and the conversations I have had with him. I think he has made a real impression on any hon. member who has taken the trouble to acquaint himself with the James bay diversion scheme.

[Mr. Matheson.]

Mr. Speaker, I should like hon. members to have some idea of the chronology of these Kierans presentations to the government. I ask the hon. member to note that on January 25, 1960, Mr. Tom Kierans of Sudbury outlined to the then minister of northern affairs and national resources a proposal for the transfer of James bay water to the great lakes via the Harricanaw, Ottawa and French rivers.

Mr. Martineau: Mr. Speaker, could I ask the hon. member a question?

Mr. Matheson: Certainly.

Mr. Martineau: If this project has already been referred to and studied by the committee on mines, forests and waters, why does the hon. member now propose that it be studied again?

Mr. Matheson: Mr. Speaker, I would indicate that the proposal put forward to the preceding government in the correspondence was given cursory consideration by the government of the day, of which the hon. member had the honour to be a minister and apparently the scheme presented by Mr. Kierans was considered to be physically possible but economically unpractical. This is the answer given by the hon. member's own government to the specific proposal presented. They said that James bay water must be lifted more than 1,100 feet vertically to enter the Ottawa river headwaters. I am not going to go into detail, Mr. Speaker, because there are other hon. members who would like to participate in this debate, but second, they pointed out that:

> Imported water must be virtually free of salines.

Imported water is water which would be used for consumptive purposes elsewhere.

> This would require salinity reduction equipment or construction of barrier dams in James bay to create freshwater areas. Any barrier dam near the Moose river outlet must incorporate navigation locks for entry to the port of Moosonee.

Then they came to the third conclusion, that

> —the Harricanaw river lies almost entirely within Quebec, which would have to give its consent to such proposed use.

We have had recent experience with another province to appreciate how jealous it can be of its primary jurisdiction over national resources. Then they determined, fourth, that:

> Additional storage may be required to avoid waste of diverted water under high natural great lakes inflow conditions.

They came to the conclusion that:

> Sale of water to the United States is unlikely to be continuous—

as I believe was envisaged in the proposal by Mr. Kierans—

—particularly during cycles of high natural inflow.

Then, sixth, they came to the conclusion that:

Navigation benefits are limited by the short open season on James bay and in Hudson strait.

Then they decided that:

A diversion of 25,000 cubic feet per second would increase present lake Ontario inflow only by perhaps 12 per cent—

—and that this 12 per cent figure would not appear to be adequate to improve materially pollution conditions which have been existing at Toronto for some time. Then finally the Conservative government of the day came to the conclusion that—

—any water sold to the United States would not be available for use on lakes Erie and Ontario and on the Niagara and St. Lawrence rivers.

These were the conclusions respecting the first proposal. Subsequently, Mr. Speaker, the same Mr. Kierans, under date of March 21, 1960, submitted an amended plan which proposed the collection of the water from the several rivers and its transportation to the Harricanaw river by a series of dams and canals, rather than the use of James bay water for diversion. That proposal was studied, and I will not take up the time of the house with it because any hon. member can acquaint himself with the conclusions arrived at by the former government. However, I must say that notwithstanding these adverse conclusions I have much sympathy for the general ideas set out in this project and I think it is absolutely necessary that we now start to think carefully in this general direction.

I am sorry that the hon. member has brought before this house a motion so specific and detailed that it is almost impossible for many of us to agree with it. If not—

Mr. Fisher: Oh, come on.

Mr. Matheson: I hear an interjection from the head of the lakes, but if we take the six specific recommendations contained in this motion, we find general agreement on some and disagreement on others. I find it difficult to understand for example why the fourth proposal, that certain substantial and renewable sources of fresh water be collected by cross channels on the James bay watershed and then be diverted southward by the Ottawa and great lakes by step-pumping developed in economic stages as needs increased, making use of the large potential of unharnessed hydro power in that area, is made with specific preference to the Georgion bay route.

Mr. Martineau: Would the hon. gentleman permit a question?

Mr. Matheson: Yes of course.

Mr. Martineau: If I were willing to withdraw the objectionable parts of the motion, would the hon. member, speaking for the government, be prepared to accept those he finds acceptable?

Mr. Matheson: First of all, Mr. Speaker, let me say that I cannot presume to speak for the government; I am simply giving a few views of my own.

Mr. Martineau: Give us your own opinion then.

Mr. Matheson: I do not want to prevent other people from contributing to the debate, but even after the extensive debate which we have had on the subject of water in recent days I am pleased that the hon. member has had the foresight to bring this resource problem to the attention of the house. I am glad we are focusing attention on what these two Kierans brothers have been thinking and worrying about these many years.

I care a great deal about this matter, Mr. Speaker, because it seems to me that we have a tremendous resource in our system of waters. As we listen in the standing committee on external affairs, to the tremendous projects which are envisaged for the west coast, I think we have to think again about the grand canal. This is inevitably going to come to pass in time. I do not fully comprehend the exact recommendations contained in the motion of the hon. member nor do I know precisely what is desirable, but the government must certainly apply its mind to the problem. In this regard I rejoice in the fact that the minister of northern affairs has had the courage and the wisdom to send this to the committee for study. I hope this is only the beginning, because from what I can discover the examination by the former government has been rather casual.

I think it would be selfish towards other members, Mr. Speaker, to continue my remarks for long. This amazing recommendation takes a watershed away from its original course to James bay and redirects it to the great lakes and it really matters little whether it goes into Georgian bay via lake Nipissing and the French river or whether, as is now suggested, it goes into the Ottawa river, because these are mere details. The scheme—and it is a gigantic one—is to change the course of a mighty watershed.

In this regard I was impressed by an editorial by Richard J. Needham which comments upon a statement made by the minister of northern affairs in the house a few days ago, to the effect that we had better pray for rain. That is not such a silly suggestion as one may think. I was reminded

by the brilliant dialogue between God and Job, which is to be found in the thirty eighth chapter. God speaks down from the heavens and says to Job:

> Where wast thou when I laid the foundations of the earth?...Or who shut up the sea with doors, when it brake forth...
> and here shall thy proud waves to stayed?

And further on, not viewing a reply, God said to Job:

> Hast thou entered into the treasures of the snow? or hast thou seen the treasures of the hail,
> Which I have reserved against the time of trouble—

Even in my county of Leeds this spring we have discovered that we need snow as well as a good deal of frost and rain, and the people in my part of the country are praying for water because we feel no one else can raise the level of the waters.

Mr. Fisher: I should like to pray for the government.

Mr. Matheson: The minister of northern affairs apparently believes in the efficacy of prayer. Then God said to Job:

> Who hath divided a watercourse for the overflowing of waters...or a way for the lightning of thunder;...
> —Who can number the clouds in wisdom? or who can stay the bottles of heaven—

The likelihood is that we are going to be doing generally what has been outlined by the hon. member, if not right away then certainly before very long. We have to do it. It is perfectly clear that we cannot simply hold for ourselves the rich resources of water. After all, it cannot be regarded on a local or even a national basis; broader considerations arise. In a sense it is a case of making ourselves partners of the Creator himself, and the changing of a watershed is an exciting challenge which I think lies ahead.

We all have much sympathy for the proposition that the government of Canada has now to think in terms of broad, bold schemes. There are great difficulties in the Kierans plan. What are we going to do about salt water? If that problem is solved, then what are we going to do about navigation? Certainly the cost at the moment is prohibitive judging from every government study undertaken heretofore, but as the parliamentary secretary indicated what is prohibitive now may not be prohibitive two or perhaps 20 years from now. I hope that the government will be stimulated and encouraged in this matter by the committee to which this question will be referred, thus providing the necessary impetus to sound and enlightened policy with respect to our rich resource of water.

[Mr. Matheson.]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, we support this motion. It is very easy to cavil and make the kind of petty qualifications made by the hon. member for Leeds (Mr. Matheson), but I do not think that in this sense the detail is significant in relation to the wonderful scope of the plan. We seem to need physically big projects in Canada to capture the imagination. I can think of the South Saskatchewan dam, the Passamaquoddy project and the Chignecto project, the latter two still being in the visionary stage. The St. Lawrence seaway certainly aroused support, agitation and irritation for almost a century before it was brought to completion. The disappointment with the results of the St. Lawrence seaway, I suggest, should not make us hesitate about finding out more about this great scheme of Mr. Kierans'. I have had the pleasure of listening to Mr. Kierans and talking to him in Ottawa, as I recall some time when the former government was in power. I remember meeting him in a committee room. It is not fair to say that this is a bold, new idea. It is a bold idea, but he has been pushing it very strongly and getting increasing support.

Some of the questions I should like to ask about this project really do not relate so much to the details of the motion. The last part of the motion indicates great navigational possibilities, particularly in the Ottawa river. This has never appealed to me as much as the idea of the waterpower to come. In my own riding there is a diversion, for example, from the Hudson bay watershed into the great lakes watershed. I refer to the Ogoki diversion, which attracted me. I have tried to find out if there were any drawbacks to the Ogoki diversion. The difficulty is that there are few people living up in that area. The Indians to whom I have talked really have had no complaints. The fringe of civilization and exploitation has not really moved much over that watershed, in so far as the lake Superior littoral is concerned. It is not quite the same when you get into Cochrane, Timmins and Timiskaming areas. Even there, it seems to me we need to think a bit about what will be the final consequences of the program when it is finally achieved in terms of the effect on the watershed itself. Surely, there will be consequences for the Hudson bay littoral.

When you get a distance—the distance changes—from 150 to 300 miles north of the actual height of land from the great lakes into the Hudson bay system, you begin to run out of forested areas that are worth while. Any member who has flown over the James bay-Hudson bay regions knows that as you get towards the coast you fly over a

low, swamp, muskeg-kind of spruceland. One thing I should like to know in connection with this scheme, if it has an effect upon the actual amount of water available, is whether there is any possibility—this may be a century ahead—of resurrecting or converting some of the muskeg land by means of drainage into something that will be more productive.

If I go over to the lake side of the watershed, I find we are talking about water tables. How much are the water tables down because of bad conservation practices, bad forestry practices? We have denuded so much of the land and have done so little about putting the land back into forest cover. This is something we do not know, but it seems to me it is tied into the motion presented by the hon. member and it is quite relevant. One of the things of which we do not have a picture at the moment, although it comes out very strongly and particularly from the Chicago area, is the need for water to handle pollution possibilities. It is not only the human needs, the direct human needs and industrial needs, but it is almost the need to have an extra flushing in these heavily concentrated areas where population and industry is so great.

In the last decade the inhabitants of the central United States have come more and more to make northern Ontario and, increasingly northern Quebec, into their summer recreational dormitory. This has increased the interest and led to the building of more roads. It is something else that needs to be looked at. What will be the effect of a great project like this upon the recreational use of this land that lies north of the height of land? In the main, I think we can only count basically, and I do not mean this as any insult to the claybelt, in terms of natural resources from this great area affected by this scheme, on minerals and on forests. In so far as the minerals are concerned, that is in the lap of the prospectors and science. I suggest that nothing this project does is likely to have any ill effect upon mineral development. I would think that potentially it would have a good effect upon the forest development and forest improvement in that part of the country.

One of the matters that seems to me needs to be taken into account is the approach to this basis of a cost-benefit analysis. I suppose the hon. member for Coast-Capilano (Mr. Davis) would probably make a good contribution to any such discussion, since he is co-author of one of the synoptic works in that field. It is quite apparent that this scheme will not be undertaken unless there are social benefits of such a magnitude that they cannot fail to be overriding of what must be a staggering capital expenditure in order to develop something that is at least once, and in many cases twice, removed from really creating jobs or creating industry. I think one of the things we need is such a cost-benefit analysis.

The question of how this idea should be treated from now on is getting complicated by the water shortage that is so much in people's minds now. If we have a bad summer like we had back in 1956 and 1936, where we had forest fires raging over much of this whole watershed and to the south, the sense of urgency will be increased and complicated even more. One of the difficulties comes when you get this sense of urgency. Politicians begin to blame each other and they put a bit of forced draft under their arguments. We are already having a bit of this welling up from those people in the Ontario legislature, as to water level talks, navigation and the whole question of dredging. It seems to me that in such a situation there might be an unnaturalness to any committee hearing, at least in this house at the present time, given the information we have. This is one of the reasons I would appreciate and my colleagues would appreciate, seeing the working of this even more. We would appreciate some kind of crash program by the government to look at this plan as quickly and as urgently as possible, then get on to the question of whether or not it is feasible.

It will not do any good at all to make the Kierans plan a club to beat the Liberal government on the head, or the Robarts government at Queen's park. There may be a tendency to do this. I am sceptical about it. I wonder whether it is worth while developing an interprovincial plan like this when, by the time we get around to it they will probably have confederation in a state where it will be a case of having negotiations between the sovereign state of Ontario and the sovereign state of Quebec. I tend to be pessimistic about the tendencies and capabilities of this particular government in that particular field. But there is no reason at all why they should not come up with something fairly quickly in the form of a good analysis that we can examine.

The answer that the hon. member for Leeds (Mr. Matheson) got does not surprise or shock me. I refer to that dreary thing he read out. He asked the question whether the matter had been examined and he got all the usual civil service jargon. As every member of the house who has been around at all knows, every department is loaded with

capable civil servants, that is, they are capable at knocking down something imaginative. They always talk about the staggering costs, the fantastic costs.

The hon. member for Pontiac-Témiscamingue (Mr. Martineau) is not asking for anything that involves staggering costs. He is asking for a thorough consideration and survey. I think we should have it immediately, and the sooner we have it under the initiative of the government the sooner we will get away from what is rapidly developing into a situation where politicians are blaming each other for the low water levels, and we even have the rather fantastic invocation of the deity by the Minister of Northern Affairs and National Resources (Mr. Laing) and the hon. member for Leeds.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I will take only a few minutes of the time of the house to second the motion moved by the hon. member for Pontiac-Témiscamingue (Mr. Martineau). I agree with the hon. member to ask the government to make the studies needed to carry out that project which these days becomes more and more important and takes up a lot of space in the newspapers, in view of the fact that the water level in the great lakes is becoming more and more alarming and that there is, so it seems, a way to solve that problem.

In view of the fact that I had the opportunity to discuss that matter for a few minutes last Thursday night, I will say no more about it today in order to enable the government to accept the hon. member's motion.

Mr. Speaker, I learned that, in 1960, Mr. Thomas Kierans, an engineer, made a special survey of a canal in connection with the Harricanaw river to feed fresh water into the great lakes. In fact, he appeared before the standing committee on mines, forests and waters, to which he submitted a very fine piece of work. I wish to commend him for undertaking such a survey, to which he has given much time, in spite of his limited financial means. Such an undertaking involves expenses that only governments can afford.

That is why I support this motion calling on the government to consider this project, in order to remedy the present situation.

Mr. Speaker, I should like to quote the conclusion drawn in 1960 by the standing committee on mines, forests and waters. Here it is:

> The committee heard with interest from witnesses of the proposed Harricanaw river development project, but it feels that there has been insufficient basic engineering evidence presented to come to any conclusion on this matter.

[Mr. Fisher.]

Mr. Speaker, the evidence may have been insufficient. The evidence presented by Mr. Kierans may have been incomplete, but I think it rather strange that the government should not have undertaken at that time, that is in 1960, the necessary work that would have enabled them to come to conclusive evidence in that respect.

Everybody knows that the problem of water, from all points of view, in the great lakes and along the St. Lawrence river is becoming increasingly alarming. Personally, I have no doubt whatsoever as to the physical possibility to build the required works so as to solve this problem very quickly.

Therefore, like the hon. member for Pontiac-Témiscamingue, I ask the government to undertake the studies required for the implementation of that project as soon as possible.

[*Text*]

Mr. Ralph Cowan (York-Humber): Mr. Speaker, the first time I ever came across the Harricanaw river was on a blue goose hunting expedition to Hannah bay at the south end of James bay which is the mouth of the Harricanaw, and while it is known the world over that the mouths of the Harricanaw and Moose rivers at the south end of James bay are the centre of wild goose hunting for the entire world, I never expected to find the Harricanaw river a wild goose in this House of Commons. I have travelled the length of the Harricanaw river and the Turgeon river which is its main tributary to the west. I have crossed the Abitibi lakes more than once. I have been from the headwaters of the Ottawa down to Mattawa, across to lake Nipissing and down the French river frequently.

But to come into the house and advance the suggestion that we should divert the Harricanaw river in order to raise the level of the great lakes is similar to a man with a leaking garden hose who goes down to city hall and screams that the water mains underneath the streets should be ripped up and replaced by larger pipes in order to put more water into the hose so he will be able to water his lawn, despite the fact that he has a leak in the hose. There is plenty of water in the great lakes now if man did not squander it; and if man would plug the leak that exists at Sarnia at the present time there would be no need to go into a multimillion dollar wild goose chase such as the diversion of the Harricanaw and Turgeon rivers, using the Abitibi lakes as a storage basin, and diverting some of the flow out of the Ottawa river into the Mattawa and lake Nipissing.

The great lakes are now at an all time low level for many reasons, the chief of which is lack of precipitation in the last two years.

We all know that the Lord has blessed this continent with many things and certainly one of them is fresh water in abundance; but it is ridiculous that we are allowing fresh water to run wild without checking it for the needs of mankind.

We noticed the other day that the hon. member for Simcoe East (Mr. Rynard), in commenting on the water levels of the great lakes, remarked that the water level in lake Superior is regulated by a control dam. I would point out that the control dam at lake Superior was built after negotiations between a Liberal government of Canada and the United States government, and it has kept lake Superior waters in check and under control for more than 50 years. It was a Liberal government that initiated with the United States and made possible the erection of dams at Cornwall and Iroquois, Ontario, to control the waters of lake Ontario, and it will be a Liberal government that will be able to negotiate satisfactory arrangements with the United States to control the levels of lakes Huron and Michigan at Sarnia.

I can assure you, Mr. Speaker, that there is no need of the government wasting manpower and millions of dollars in research studies and investigation of the Harricanaw diversion plan when it can spend much less money and perfect an earth filled dam at Sarnia to control the water levels of the great lakes year after year. A government which has found it possible to erect these dams—

Mr. Deputy Speaker: Order. I am sorry to have to interrupt the hon. member but the hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows:

The hon. member for Churchill, allowances and isolation pay of civil servants; the hon. member for Winnipeg North Centre, application of the availability test for unemployment insurance benefits; the hon. member for Cape Breton North and Victoria, delay in changes in maintenance of way operations in the maritimes by Canadian National Railways.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

National Defence Act

NATIONAL DEFENCE ACT

AMENDMENTS RESPECTING REPLACEMENT OF CHIEFS OF STAFF COMMITTEE

The house resumed consideration of the motion of Mr. Hellyer for the second reading of Bill No. C-90, to amend the National Defence Act.

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, during the course of this debate and during the question period today reference was made to the special benefits that the government is contemplating paying to servicemen who are to be retired before reaching the normal retirement age, and I thought perhaps it might be useful to say a few words on that subject this evening.

As hon. members will recall, in the process of integrating the armed forces it is estimated that we would have to cut back the number of servicemen by about 10,000, and we estimate that it would be possible to effect this reduction in a period of two years.

In order to do this most effectively and to achieve the objective that we have set ourselves in national defence, it is contemplated that this retirement should be made compulsory and through selection. I would like to make it quite clear to the house that this is in no way any reflection whatever on the personnel who are to be retired. On the contrary, all of the people who will eventually be retired compulsorily are people who have served the services with devotion and loyalty for many years, and it would be wrong for the house or the country to read into these releases any other meaning than that which is true, and that is that it is in order to reorganize our national defence.

The reason for the release of such a large number is because there will no longer be employment under the new career structure of a reorganized national defence for the people who are being released. It is because of the good services that have been rendered by these people, and because the government fully appreciates the difficulties these servicemen will encounter in trying to readjust to civilian occupation, and in order to help them to rehabilitate themselves in civilian life, that the government has decided to pay them a special cash benefit, which would be paid in one lump sum.

This special cash benefit is of course in addition to any normal leave that may have been accumulated and, as hon. members know, this leave is paid in the form of cash. It is also in addition to the pension to which a serviceman would normally be entitled, and in addition to any transportation benefits which he would normally receive.

It is important to realize that the special benefit envisaged here is not applicable to people who are released for misconduct, or inefficiency, nor would it be made available to people who want voluntarily to leave the service. It was suggested during the course of the debate that what we should do is pay this special benefit to those who would willingly and voluntarily leave the service, but I do not think I have to expand very much on the reasons why this is not being done. There are obvious reasons, but the main one is that what we are trying to do is to select the people we feel will be necessary within the services, and also select those who unfortunately will no longer have employment under the reorganized department.

As hon. members know, this special cash benefit will increase with the length of service, up to a maximum of the equivalent of 10 months pay for those with 15½ and more years of service, and it will be reduced progressively as normal retirement age is approached. I believe hon. members will realize the reason for this. Someone who is about a year from the normal retirement age would already have some idea of what he is going to do once he is retired. His plans are firmer than those of the man who is about five years from retirement age, and it is for this reason that the special benefit is progressively reduced as normal retirement age is approached.

Further, as hon. members know, this cash benefit is subject to income tax. During the question period this afternoon a question was asked as to whether representations were made by the servicemen with reference to the imposition of income tax on this benefit. I have not had any official representations by the servicemen in this respect, but I, like other hon. members, have seen the reports in the press and it is not impossible that the press is reflecting the thinking of the servicemen. However, it might be useful to remind the house that this cash benefit is indeed a revenue and, according to our principles of taxation, it is taxable. Another point is that the serviceman, if he had remained in the service until his retirement age, would have been obliged to pay the full tax on the amount of money he would have received. Under these arrangements the tax is calculated on the basis of 85 per cent of the tax rate established by reference to normal service income. So a man compulsorily retired will pay a lower tax rate for the benefit than he would have paid had he stayed in the services.

I appreciate this is a delicate problem. The Prime Minister (Mr. Pearson) in the answer he gave this afternoon said the matter would be looked into and that the suggestion having to do with staging payments over a period of time would also be examined. I presume a statement will be made on this subject in due course. Included in the plan, there is also as hon. members know, the waiving of the present provision in the Canadian Forces Superannuation Act which provides for a 5 per cent reduction in annuities for those servicemen who have less than 20 years of service but more than 10, with a maximum of 30 per cent. This penalty was imposed on servicemen in order to encourage them to stay in the services until their normal retirement age was attained and it was felt by the department that it would be most unfair to continue the penalty in circumstances where a man was compulsorily retired. The other provision in the benefit plan is that an unreduced gratuity would be paid to officers holding short service commissions. This is, in essence, what is contemplated.

We have seen in the papers some references to the special benefit plan being as a kind of "golden bowler". There are not many references of that kind. Others started calling it a silver stetson, and recently these particular benefits have been described as a straw hat. I rather like to think of this benefit plan as being just an ordinary fedora. While it is more substantial than a straw hat it is less spectacular than a golden bowler. It is adequate and it does only what it is meant to do, that is, to try to help servicemen who will be compulsorily retired rehabilitate themselves in civilian life.

Mr. Smith: Before the minister leaves that point, may I ask him whether any consideration has been given to allowing service personnel who are likely to be affected by these reductions to take advantage of the Veterans Land Act? In other words, has consideration been given to allowing them to buying their homes earlier in anticipation of retirement. There is a limit at the present time.

Mr. Cardin: In the Department of National Defence we did not look into this particular aspect of the matter. However, I will be happy to look into the suggestion, which appears to be a very good one.

In his speech this afternoon the hon. member for Vancouver East (Mr. Winch) referred to letters he had received from members of the services and suggested that perhaps the government itself might train service people before sending them out into civilian life. It is an interesting suggestion. He continued to say, if I understood him correctly, that it would appear as though servicemen would prefer training of this type to the cash benefits which are contemplated.

Mr. Winch: Those who wrote to me—and they come from two service stations—said that after discussion among themselves they would prefer such training. But I speak only of those who wrote to me.

Mr. Cardin: I think the suggestion is an interesting one, but I am not sure what would have happened if instead of paying a cash benefit the government had decided to organize instead a training plan for the servicemen who are to be retired. I do not think it would be easy for the government to enter into this field. We feel that if the government provides cash benefits, the decision as to the best utilization of the money is left to the individuals concerned. If a man wished to receive training he might use part of the money to obtain tuition at a university or other place where training could be obtained or, if he preferred, he might invest the money in a business of some kind. I know the hon. member for Vancouver East does not seem to think much of the judgment of servicemen in the field of business. However, I think these people are old enough, now, to decide just what they wish to do with their money and we feel we have chosen the most equitable way of dealing with the situation.

I do not think I can resume my seat without making reference to the observations of the hon. member for Winnipeg South Centre (Mr. Churchill). In his speech the other day the hon. member referred to me, I think, as "part of the gold dust twins". I was going to say "half" but that would not be strictly accurate. He said that as part of the gold dust twins I would inevitably pay my compliments to the Minister of National Defence (Mr. Hellyer). I am happy to see that the hon. gentleman has noticed how well the minister and I get along, and in order that the prediction of the hon. member for Winnipeg South Centre might prove to have been well founded, I am happy to tell him that I honestly and truly feel that my colleague the Minister of National Defence is doing a wonderful job both for the government and for the country, and I am happy to be able to help him.

Mr. MacRae: May I ask the minister a question at this point? He mentioned there would be a 10 per cent reduction in the establishment of the forces over the next two years. How many of these will be compulsory retirements and how many will be as a result of normal attrition?

Mr. Cardin: It is difficult, if not impossible, to say just now how many men would be compulsorily retired, but I imagine it will be a relatively small number. The majority of the reduction would be done by normal attrition.

Mr. MacRae: Will the retirement provisions apply to all ranks, in the case of the army, say, right from private to lieutenant colonel or colonel, and correspondingly in the case of the other services? Will that be the situation?

Mr. Cardin: Yes, the retirement provisions would be right across the board.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I have only one question to direct to the Associate Minister of National Defence (Mr. Cardin), following a question I put to him this afternoon. In which way does the Canadian government intend to supply with provisions and material the Canadian forces now in Cyprus? I appreciate that it is difficult to supply them with provisions directly from Canada, but is there any agreement between Great Britain and the United States or any formula to make possible a compensation to our Canadian farmers, some agreement between Great Britain and the United States which would be to the advantage of the farmer in this field?

Mr. Cardin: Mr. Speaker, the NATO procedure for supplies in Cyprus is mainly through Great Britain where there is a system beneficial to us, because it is less expensive to take in supplies over there than if we ourselves had to ship all our goods to Europe or Cyprus. Now, as far as the whole system of exchange is concerned, whether for food or other things, we try to maintain a financial balance. The hon. member suggested that we should include Canadian supplies. I can assure him that if it is possible, we shall try to do that.

[*Text*]

Mr. Douglas: Mr. Speaker, may I ask the minister whether he has any estimate as to the number of civilian personnel who will be affected by this reorganization, and what provision is being made for them?

Mr. Cardin: Mr. Speaker, I have no definite figure in mind as to the number of civilians who will be released. However, the number is not comparable to what is estimated to be the reduction in the military field.

Mr. Winch: Mr. Speaker, could I have permission to ask a question? In view of the fact that the associate minister mentioned my proposal of this afternoon with regard to training, and raised certain difficulties in connection with that proposal, could I ask him whether he has considered the fact that

the proposal I put forward, at the request of a number of men in the armed services, deals with exactly the same provision made by Canada for our veterans on their discharge at the end of the second world war and the Korean war. The principle put into effect then is the same as that contained in the suggestion which I asked him to consider. Has the associate minister thought of that fact?

Mr. Cardin: No, Mr. Speaker, I had not thought of that fact. However, I did tell the hon. member that we would look into the possibility of utilizing his suggestion.

[*Translation*]

Mr. Marcoux: Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence.

Will the members of the women's army corps also be forced to go on retirement or will they be asked to resign in some cases? For instance, in the case of the St. Sylvester radar station, where the members of the of the women's corps are no longer needed, will they be allowed to get transferred to another branch or will they be forced to retire?

Mr. Cardin: Mr. Speaker, the members of the women's corps are subject, I believe, to the same regulations as the men.

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, now that the minister has been kind enough to answer all the questions put to him, I should like to take part in the debate and make a few remarks.

First of all, I should like to congratulate the minister on the positive aspect of his aim in military matters. Having said this, I must warn him that my further remarks will not necessarily be flattering, because unfortunately, I found in his white paper some negative points that I shall attempt to denounce in a few minutes.

With regard to the military policy he intends to apply in Canada, the minister, in his white paper, stated his intention to carry out several recommendations submitted by the defence committee in its report tabled a few days before the end of the session last year, that is in December 1963.

The integration of armed forces under a single command seems to have been the main concern of the department. That decision is probably the one which has received up to now and will receive the greatest support from all hon. members, even if a few have expressed certain doubts as to the timing of this integration.

I think that most of us agree that this integration of armed forces is essential. I also think that this integration is supported by most Canadians and more especially by the members of the armed forces concerned.

It is evident that this development was essential to avoid a waste of manpower and of the huge sums required for the administration of the national defence.

One of the main reasons for integrating the armed forces is to prevent military leaders from exerting too great an influence on the minister who must answer to the country for the phenomenal amounts voted each year for that purpose.

I do not think such integration creates a precedent since recently, England, which is often quoted here as an example to follow, has broken with century old traditions to bring all the armed forces under the authority of a single minister. Mr. Speaker, efficiency dictated such action.

It would seem that, left to themselves, the military have or at least had, with the best intentions in the world, the tendency to build up an empire and try to impose their views on the various governments which follow each other at the head of the country.

It is therefore urgent, in the light of developments, that civil authorities regain control of expenses this government has to make or justify before the Canadian people.

Bill No. C-90 suggests the establishment of a chief of the defence staff position. I believe that, after this bill is passed by the house, the man entrusted with this responsibility will have a very important part to play in the future of Canadian military forces.

It is therefore most necessary that he should submit to general instructions to be given to him by the government through the minister who, for his part, is held responsible to the people by the bill he submits every year at the time of the budget.

Mr. Speaker, the integration of armed forces will not occur without any trouble. Some people's toes will have to be trod on and we must expect, from some parts of the country, criticism against this measure. However, I believe that it is necessary for us Canadians to support this measure, which was moved almost unanimously by the house and has the support of a great majority of Canadians.

In the past, and especially since the end of the war, the forces have had perhaps somewhat exaggerated appropriations of public funds. I believe that when the minister decided, as proposed in the white paper, to freeze for a few years the expenses of the military budget, he definitely took a step in the direction intended by the majority among us, and I think he will necessarily have to go further.

The minister claims that such a decision will bring a reduction in the budget generally voted for the country's defence. Of course, such a reduction will be in proportion to the development which will take place in the other sectors; it will amount to almost $1.5 billion, but it will not be a reduction on present expenditures. A study of the budget shows that the Canadian people will not benefit by a reduction in the amount of taxes levied during the year, because the estimated expenditures will be the same for that military defence, or rather that so-called defence, since, after all, being realistic, all of us in this house, must vote a more than reasonable portion of the national budget for a defence against aggressors that seem to be rather hypothetical.

I think, Mr. Speaker, that if we really wish to come back to reality, we will have to reduce further the percentage of the amounts appropriated annually for national defence. In fact, if we analyse the amounts spent annually by countries similar to our own in the world, we realize that most of them, even the members of NATO, that alliance to which we belong, spend an amount representing some 8 per cent of the national budget. Now, if we consider that, in our case, the amount provided represents some 25 per cent, that is one quarter of the national budget, it is clear that we have much to do before we come closer to the standards now used by other countries that do not have the ambition to pass themselves off as something they are not.

I think that at present the Canadian people have to pay a bill imposed on them by governments which did not take into account the fact that Canada has a population of only 19 million, and that accordingly it could not afford to spend more than it was justified to, in a field which is not necessarily related to progress or to the Canadian economy.

The integration of the armed forces is apparently something which will mean a saving for the country, but unfortunately, it will bring about a reduction of our military personnel.

When the minister announced last fall that he might close certain radar stations, certain army or air force bases, certain radar bases in the north, some hon. members protested that decision which affected them personally in their riding.

I was thus able to realize to what extent we, in Canada, just like the people of the United States, but in a larger proportion, had an economy based on military industries. If we consider all the reductions now being made in the various governments throughout the world, we see that all sensible people are worried about the present trend to disarmament. People wonder what will happen when we stop looking after the needs of the thousands of men now in the forces, which contributed to the employment of thousands of industrial workers who produced their equipment.

We are led to ask on what basis exactly we have built our economy.

When we think of the war years 1939-45, we realize that we, in Canada, did build up an industrial economy resting on the needs created by a war waged on the European continent. When, from 1939 to 1945, we used part of our potential in the construction field for destructive purposes, we failed to consider that after that war we would have to build up and erect a system which would enable us to live and create a peacetime economy.

When we refer to the figures prevailing in post-war period, we realize that until 1950, the annual amount voted by the government to cover military expenditures was more or less the same until 1950-52.

At the time, expenditures in the defence budget stood at around $350 million annually. Suddenly, due to certain fears, we deemed it advisable to increase that amount to $1.5 billion from 1955 on. And each year, almost without fail, we made the mistake of voting that sum of $1.5, because we had to make an impression, through such an expenditure which was way beyond our means, and play a role which did not suit us on the international scene. I do not think anybody was impressed.

We were thereby proving to other countries which were older than we were that, to a certain extent, we were irresponsible in the circumstances since we were mortgaging the future of a country which has such a tremendous need of its credit, its potential.

When we consider Canada's share in the cost of international organizations, we realize that the part we play is always out of proportion to our capabilities. We have tremendous potentialities, but they are still undeveloped. They will remain so for some time to come, probably for decades. I feel, therefore, that it would be wise at this time to determine our position and to ask ourselves what amount we Canadians should reasonably appropriate for those peace keeping operations in which our role is very minor. Up to now Canada has never been called upon to decide whether or not there would be a war.

The only part it has played was to decide whether it would participate or not. Unfortunately too often, certain authorities have

decided that we would participate without previously asking the agreement of Canadians to bear the expenses.

Mr. Speaker, if we consider what is going on at the international level, we realize that within the framework of NATO, for example, now holding a conference of ministers from which Canada is practically absent, the voice of our country therein is not predominant, we have tried once again to play a part which was not ours. Let us compare Canada with its 19 million inhabitants with France which has 50 million and Germany which has 60 million. If we realize, on the other hand, that we are more than 3,000 miles away from that military field, we must honestly admit that our part in the circumstances is extremely limited.

This afternoon the hon. member for Vancouver East (Mr. Winch) criticized the attitude of France and of its president, General de Gaulle, towards NATO, especially France's decision to withdraw temporarily its support to NATO. Mr. Speaker, I feel that to blame France in that specific case is a mistake because we Canadians are hardly in a position to judge the circumstances which prevail at the present time on the European continent. We must recognize that Europe has been rebuilt, that it is powerful and that it wants to play its own role, without being controlled or directed by another power located about 1,000 miles from its territory, a power we all know, the United States. We must admit that, up until now, NATO has been the tool or instrument of the United States and that only the Americans have been able to impose their views concerning the decisions and the action taken. If France now intends to assert itself and to speak out against decisions which, to a certain degree, are taken unilaterally by the United States, she has the right to do so, and we would be ill-advised to criticize the position she has decided to take.

I believe that NATO's role in future years will be just as important as it was in the past but it will be determined by the countries concerned, that is Belgium, France, Germany, Italy and the neighbouring countries, in accordance with their military needs.

Everybody admits that the military situation is changing. Mr. Speaker, we must admit it and, as I suggested to the minister this afternoon, we should take advantage of this opportunity to renegotiate immediately, even before it expires, the agreement we signed, so that after 1966 we will be able to make changes in this field, as we ought to, that is our role will be symbolical and psychological rather than practical. I mean that if we admit that the CF-104 squadron, for instance, which is now based in Europe, will be outmoded within five years, we will have to admit that, after that date, Canada will not have much to say in this field and will have to submit to the decisions taken by the authorities of those countries directly concerned by the European military problem.

Mr. Speaker, I should now like to deal with another problem, Cyprus. I shall have a few questions to raise, especially the part played by Canada in the U.N. force. We decided, probably with a certain haste due to circumstances, to send a military force to try and maintain peace on the island where there is now a kind of civil war. I feel that as a French Canadian, I have a few questions to ask. I did not do it at the time that decision was taken, because I did not want that point to be questioned. But I wonder now why it was decided that it would be a group of French speaking Canadians that would try and maintain peace on Cyprus when the majority of French Canadians are accused of being incompetent to hold high positions in industry and the federal civil service. How is it that it was deemed advisable to send French Canadians to Cyprus to try and maintain peace on that island which was under British control for perhaps centuries, an island where the languages usually spoken are Greek, Turkish and English and where practically not a single word of French is spoken. How is it that French Canadians of the 22nd regiment were selected?

Please note, Mr. Speaker and Mr. Minister of National Defence, that I am not against it. On the contrary I am proud, to a certain extent, of the fact that French Canadians were asked to carry out a task that was recognized by everyone in this house as a very delicate one. But since it was admitted that French Canadians could play a delicate and difficult part in a land utterly unknown to them, how is it then that there are in Canada Canadians who refuse to acknowledge the fact that French Canadians can actually contribute to the building and development of this Canada of ours?

And at this stage I should like to call earnestly for an acknowledgement of the part played by the French Canadian group in this Canadian force. I am against those who want Quebec to secede from confederation because I feel that French Canadians are able to play a role not only on Cyprus island but also in Canada, not only in Quebec but also in Vancouver and in Halifax.

I think we have a right to aspire to play that role. We have the competent men required. It was recognized that we had competent men in the military field, and I think that some day Canadians, whatever part of the country they come from, will have to

agree that we also have the right and the capability to fully assume that role in every field.

Having said that Mr. Speaker, I feel that, as Canadians, we must accept that all Canadians, from Halifax to Vancouver, be treated on an equal footing so that wherever they carry on their activities they may benefit from all the advantages they are entitled to. As a matter of fact, since we have proved that we were able to play a part on the Dieppe beaches, the Normandy coast and even on the island of Cyprus, I believe that we have the right to demand that we be allowed to play our part in any sphere of activity, be it economic, social, political or cultural, on our own soil.

Reference was made this afternoon to the special defence committee. That committee was set up last year and it was my privilege to be one of its members. However, like the hon. member for Vancouver East (Mr. Winch), I deplore the fact that it was not set up again sooner during the present session.

Certain circumstances have probably prevented the leader of the house or the Minister of National Defence from bringing forward that project, but I feel the house has thereby lost a certain opportunity, because during the last two months we could have examined more thoroughly the government's defence policy and especially the white paper tabled by the minister.

Furthermore, we could probably have made an even more useful contribution to the present debate, because, personally, I have no feeling of animosity towards the previous administration or the present government. They did what they considered to be the right thing; they are doing what they think is the proper thing to do now, and I am of the opinion that time alone will tell whether they were right or not.

There is one very special case I should like to bring to the attention of the house tonight. It concerns certain soldiers who will be discharged soon or who have already been discharged. As a matter of fact, I have already submitted some of those cases to the Associate Minister of National Defence, and that has made me wonder about the efficiency of the training and technological courses being given in our military camps.

The case of certain servicemen who returned to civilian life after five years of service was called to my attention. After exerting their efforts in a particular field in which they had acquired a practical and technological experience, after leaving the army, navy or air force, they were deprived of the right to use their knowledge in civilian life, because the military training they had received did not meet the requirements of the various departments throughout the country. Besides, the minister is well aware of what I am talking about, because I told him recently about the problem of young men who had left the navy after five years of service. They had worked as electricians, operators of boilers and stationary engineers, they had obtained some certificates attesting that they were qualified to practise their trade. But after their discharge, they were not even accepted as apprentices in their trade. After having spent five years to learn a certain trade, these young people could not, after their discharge, exercise the trade which they had learned while they were in the navy or other divisions of the Canadian armed forces.

Mr. Speaker, I believe that there is a certain anomaly which the Department of National Defence should undertake to correct immediately, in order that those young people may take advantage of their knowledge acquired during their service on their return to civilian life. In fact, when these young people complete their military service, they should be able to obtain evidence of the skills they have acquired which will allow them to practise the trade they learned, exactly as their fellow citizens practise a trade or a profession in civilian life.

When we invite our young people to join the navy, the army or the air force, we lure them with all the benefits involved in acquiring technical knowledge which will be useful to them later on. Now, I believe that if we wish this propaganda, this publicity to be true to reality, arrangements should be made with the provincial authorities in order that knowledge and skills acquired be recognized by the various departments, so that these Canadian citizens may honourably earn their living, when they are pensioned off or when they end their service in the Canadian forces.

Mr. Speaker, evidently, I may be wrong, but I am of the opinion that the special committee on defence did last year a very good job, and I think we can admit, without bias, that the group forming the committee which was established last Friday will also proceed in the same direction.

Of course, this committee should study several areas, but I believe that in the light of the study made last year, a very particular point on which its members should dwell is the economic repercussions which disarmament may have in future, since we today recognize it as a need.

Disarmament is advocated by many organizations, by several groups, economic, social as

well as political, and I believe that the committee should pay a great deal of attention to the economic results of future disarmament on the Canadian economy in particular. May this disarmament come as soon as possible.

The committee should thoroughly consider this matter in order to submit definite recommendations to the government so that it may establish the necessary machinery which would prevent disarmament from becoming the source of economic changes which would create a crisis such as the one we knew in the thirties.

If you study the statistics published by the United States, you come to the conclusion that Canadians will just have to consider that particular point. As a matter of fact, I read recently a report on that subject and I must tell you that it is disquieting to note that the American experts cannot see at the present time what solutions could prevent disarmament from plunging the country in economic chaos, which would probably push the United States, and certainly Canada, indirectly, in a crisis which surely nobody wants.

Mr. Speaker, Canada is spending huge sums for national defence. Sometimes, in our constituencies, people are asking for what purpose exactly such sums are spent. When people are giving us sound arguments, we find it very difficult to justify the spending of a billion and a half figuring in the national defence budget.

As a very influential person put it, not only should we consider the possibility of "freezing" the national defence budget at its present amount, but we should even consider reducing it and use the money thus saved in a more profitable field.

We want to spend a billion and a half to defend ourselves against a hypothetical enemy. Mr. Speaker, I am sure that the Canadian people would welcome the spending of part of that money in the field of national health, where a true danger exists, where we are threatened by two enemies, cancer and heart disease.

When we consider the amounts allocated every year to research and case-finding in connection with these two illnesses, we come to the conclusion that we have lost completely the sense of responsibilities and values.

I think that if we apportioned a larger amount to research, to the detecting of those two plagues, and to methods of fighting them, the Canadian people would readily agree to pay the taxes required to pay for research in those two areas because it would bring a solution to a problem which is not hypothetical but really factual, since recently, a colleague of ours was struck down by one of those two diseases.

I think that in that field, Canada could make a much more valuable contribution which would be readily accepted by everybody since it would be valuable, not only for Canada, but also for all nations in the world which could benefit from it.

Mr. Speaker, I do not wish to prolong this debate, but I think that when the committee on defence resumes its discussions on military problems in Canada, it should necessarily take into consideration those two points I just mentioned and some others which may have been pointed out by previous speakers.

I feel sure that if we give careful consideration to those matters, we will while playing a part in the military field, do our share to safeguard peace, because it is in that direction that we should channel our efforts.

[*Text*]

Hon. D. S. Harkness (Calgary North): Mr. Speaker, before proceeding with what I had in mind to say tonight, I should like to make a few comments on what the Associate Minister of National Defence (Mr. Cardin) said here some half hour or more ago. To begin with, I should like to say I have no objection to the gold bowler concept, as it is called in the United Kingdom, of giving a certain amount of lump sum compensation to servicemen retired before their normal time of retirement arrives. However, I think two mistakes are being made in regard to this, and I would like to put them before the two ministers for consideration.

In the first place it is grossly unfair to charge income tax on these lump sum payments. The minister mentioned something tonight about some amelioration so far as that is concerned, but I honestly believe income tax should not at all be charged on these lump sum payments. The fact that they are lump sum payments connotes that they are paid to people to compensate them for the lack of leave and pension they would have earned if they had gone on to their normal retirement time.

If the two ministers have undue difficulty with their colleague in the finance department and in the treasury board, I would suggest that the very least that could be done would be to spread these lump sum payments over three or four years so far as income tax purposes are concerned, so that the income tax would not be assessed all in one year, or even two years.

The other point I would like to make in connection with this is that from my experience in the Department of National Defence I found there were always a considerable number of people who wished to retire before their time was up because opportunities had presented themselves in civilian life. I believe there is a considerable number of people in the armed forces in that situation at the present time, and I think they should be allowed to retire and be given the same pension benefits as though they were compulsorily retired. In this way the department would find it unnecessary to retire as many people compulsorily as otherwise would be the case, and also the general morale of the armed services and of the personnel in them would be considerably better than if the plan which is proposed is carried through.

I know, of course, that quite often people in the services who want to retire are people who the authorities consider are occupying key positions, and that it would impair the efficiency of the services if they were let out. But we must always remember that nobody is indispensable in the armed services, just as this applies anywhere else. I believe these people who are prepared to leave voluntarily at present, even though it is thought they are occupying key positions which it would be difficult to fill, should be let go. This would ease the situation considerably and produce better results than the plan that is evidently in prospect.

To address myself to the bill which is under consideration, Mr. Speaker, my remarks on it will be relatively brief, for the very good reason that the bill provides really only one thing, and that is the legal basis on which unification of command in the armed services can take place. It provides for the abolition of the positions of chief of staff of each of the services, and the substitution of a defence chief of staff for the present three individual chiefs.

I believe that the minister's remarks in this debate on Friday, together with the white paper which he previously issued, confused two quite different things, namely unification of command and integration of the armed services. The point was made by the hon. member for Edmonton West (Mr. Lambert) on Friday—and I think it needs to be reiterated and emphasized—that these are two quite different things; but the minister's speech and the white paper tend to blend and confuse them, and thus make for confusion in the minds of the general public and of members of this house.

There are probably very few students of military affairs at present who will not agree that in war, at least, unification of command is desirable if not essential. The reason for this is that in the future most military operations are likely to be of a combined character, in other words, an army-air force operation, an army-navy operation, a navy-air force operation, or an operation involving all three services. This being the situation there is no question but that unification of command is something which should be put into effect.

Actually this was started several years ago right here in the Canadian services. For several years now we have had a unified naval-air force command on the Atlantic coast, and a similar one on the Pacific coast—the maritime command—in which the admiral in each case was the maritime commander of that coast and the air force officer was his deputy commander, and they operated a combined force of ships and aircraft. Undoubtedly this is the pattern of the future. This is the sort of thing which we are going to have more and more of, and I do not think anybody can seriously quarrel with or complain about the proposition of unified command. It is chiefly a matter of whether or not it is put into operation effectively.

However, Mr. Speaker, I would like to make the point that unification of command does not necessarily mean integration of the services. These are two quite different things. The United Kingdom and various other countries have instituted unification of their commands, but they have not instituted integration of their services. I hope that in his future statements with regard to this matter, perhaps in his remarks when he closes the debate, the minister will make it clear that these are two different things, not try to give the impression he did at the very beginning of his remarks on Friday that this change which is proposed—and I read from *Hansard* at page 3065—

> —is the first and perhaps the most important move in the integration of the armed forces under a single defence staff.

That statement may be correct but it gives rise to a wrong impression and it tends to confuse people's minds on this subject.

As to integration itself, I think the chief difficulty is that we have had no hard information with regard to the integration of the armed forces on the basis of which we could determine what is being planned, or come to any reasonable judgment with regard to the matter. We have not been told what the word means. The word "integration" has been used to a considerable extent by the minister and it appears in the white paper but its meaning has not been defined, and what the hon. gentleman intends to do with regard to integration has not even been hinted at so far. At the present time, then, we are debating this particular matter in a vacuum. I think this vacuum should be filled as soon as possible

in order that we may have an actual idea of where we are going as far as the integration of the services is concerned.

No doubt integration of the armed forces of the navy, the army and the air force can and should take place. It has been going on, in fact, to a certain extent for a number of years. I presume what the minister has in mind is a considerable speeding up of a process which has been in effect in certain areas for a long time. For example, the dental needs of the three armed forces have always been met by the Canadian army dental corps. The medical services and the chaplain services were integrated several years ago. The pay scales of the three services were put on the same basis some time ago; the supply of food to all three services has been looked after by the Royal Canadian Army Service Corps. These are all examples of what has taken place already in the field of integration of armed service administration. I should like to sound a word of warning in connection with this matter. I think considerable care needs to be exercised to ensure that what has always been the objective, as far as the integration of armed service administration is concerned, is met. The integration of the medical services and the integration of the chaplain services did not meet our expectations in this regard. In other words we did not secure the savings in manpower and, thus, the general savings, which it was hoped these moves would bring about. However, I do not think there is any doubt but that the integration of these administrative functions is highly desirable. It ought to be put into effect and it should be put into effect as rapidly as possible.

However, I am afraid, from what I have seen in newspapers and from my impressions of conversations with members of the general public, that most people in Canada have an idea that integration of the services means that all servicemen will be in one vast organization—that they will all wear the same uniform, that they will all be interchangeable and that the whole military organization as we have known it will disappear. This idea is, of course, a highly erroneous one. It is not practicable and it is not possible. Individual units in our armed services at the present time are highly specialized. If we are to have an effective military organization, they must remain so. It is impossible, for example, to move an artillery officer to the command of a destroyer or to move an army service corps officer and make him the flying officer of a transport plane. All the units which exist at the present time in the army, the air force and the navy will, in effect, have to continue being the same type of units as they are at the present time. This is something that should be made clear to the general public. I have run into this idea time after time, talking to people in casual conversations as I go about this country. This idea, as the minister I know recognizes, is not a practical one, and the sooner the general public can forget this impression of what integration may mean, the better.

I really have nothing else I wish to say in regard to the bill under consideration but I should like to make a few comments in connection with the white paper. The white paper put out just before Easter deals chiefly with broad generalities. It ends by saying, on page 30:

> In this paper no attempt has been made to set down hard and fast rules for future policy and development. Flexibility, not rigidity, has been the keynote. The paper is a charter, a guide, not a detailed and final blueprint. The policy outlined in it is not immutable. It can be altered or adapted to meet the requirements of changing circumstances, national and international.

I think it was very wise of the minister to put in that broad escape clause. But the point I want to make is that this white paper, regardless of the escape clause, raises far more questions than it answers. It deals, as I said, with broad generalizations and it gives us none of the definite information we need in order to exercise sound judgment on the plans the government has in mind. In fact it does not disclose what the policy is to be. It is so broad in its approach that it really does not mean very much at all. I am sorry to have to say this, but I think it can be characterized largely as what might be called a publicity stunt designed to present a good image of the minister and of the government to the Canadian people. Rather than being a real white paper giving us clear answers with regard to defence policy it is simply a piece of publicity. The first half of the white paper, approximately the first 15 pages, deals with the objectives of defence policy and the historical development of policy since 1945, together with an exposition of the international situation which determines the threat we may have to meet. I defy anyone in this house or in this country to find anything in those 15 pages that I did not say myself during the period when I was minister of defence or that my predecessor General Pearkes did not say. Those 15 pages are a straight restatement of what one might call the basic facts of defence, as they have been recognized by everybody who has had to deal with them or study them during the last ten or 15 years.

Mr. Churchill: They stole them from you.

Mr. Harkness: That is the situation, and any idea that this is something new is

totally without foundation. These pages deal with broad defence policy and there is nothing in them which has not been said time and time again. In fact, I got so tired of saying it in speech after speech that it became difficult to keep on reiterating it. But people did not seem to grasp it, and I suppose the greatest proof that they did not grasp it is that when this statement of defence policy came out a great many people hailed it as new, and there was nothing new in it at all.

An hon. Member: Don't forget the horses on the payroll.

Mr. Harkness: I am not at this time, because I have not time to do it, going into the broad questions of defence policy which are by and large dealt with in the first 15 pages of this report. However, there are a few things in the last 15 pages of the report particularly on which I would like to comment briefly. For this purpose I will take the sheet which the minister issued with the report and which is called "Highlights, white paper, 1964". I have not too much time, Mr. Speaker, so I will deal with this very briefly. The first thing mentioned here is the ten year plan, and then in brackets it says "First such long term defence plan". I defy anybody in this house to go through that white paper and see any reference to a ten year defence plan. It is just not there; there is no ten year defence plan, and there is not even a ten year defence plan mentioned in the white paper. Nevertheless the minister puts this out for the use of the newspaper people, of course. The first item on it is, as I have said, "Ten year plan (first such long term defence plan)". If the minister has a ten year defence plan, let him give it to the House of Commons; let him give it to the country. We have not heard of any ten year defence plan; we do not know of any single item in it. As a matter of fact, this is one of my chief criticisms. The minister has done a lot of things of which I approve and with which I agree, but one of my chief criticisms is the sort of business along this line. He tries to sell this like a ten-ring circus and gives a totally false impression to the people of Canada in regard to defence measures, which in my opinion are much too serious to be dealt with in that way.

The next is flexibility, and the next is mobility. If the minister will go back and read the speeches I and my predecessor made in this house time after time, to say nothing of those made throughout the country, he will see that flexibility and mobility have been stressed year after year after year. It has been the objective of defence policy and the objective of equipment policies to give the greatest degree of mobility and flexibility to our armed forces.

The minister mentions integration and the unification of our forces. I have dealt with that. The next is "Deputy minister's powers increased". This, if course, has reference to the Glassco commission report. I think some of the recommendations of the Glassco commission in this regard are extremely sound, and the sooner they are put into effect perhaps the more effective and efficient will be the Department of National Defence. I have no quarrel with that item. The next thing we see here is "Management system for defence programming to be introduced". If we look at page 20 of the white paper we see the following statement in this regard:

> It is intended to introduce into the Department of National Defence a management system for planning and controlling major defence programs at the departmental level. This system will display various components of the long term defence program in suitable detail over a significant time period. The system will provide a means of expressing various force structures, weapons systems, logistic arrangements and other military activities in terms of their immediate and long term costs.

I have read that paragraph at least a dozen times now. I have had many years of experience in regard to these military matters, and it does not mean a thing to me. It is the greatest gobbledegook I have ever read. I think it is a disgrace that nonsense of that sort should be put into a white paper and presented to people as though it were a reasonable thing. If anybody in this chamber can get any real sense out of that paragraph, I would like to see them and I would like to have them explain it to me, because I think I have had perhaps as much experience as anybody here in regard to these things, and that paragraph just means nothing and is nonsense of the worst kind.

I would hope that in future statements and future white papers the minister would be wise enough to eschew things along that line, a bunch of words that means nothing and which it is hoped will impress the uninitiated; and perhaps it does, but certainly anybody who knows anything about the subject will look at it and the sort of expletive that will come to one's mind is not that which can be used in this chamber.

The next thing I see here is "Many Glassco commission recommendations to be implemented". That is fine, but which are they? We do not know which are to be implemented and which are not. The white paper does not tell us, and the minister has never told us, which of the Glassco recommendations as far as defence is concerned are going to be put into effect. That is the sort of hard information we should be given here, instead of

these broad general statements which do not mean anything. The next is "Future air squadrons to be in direct support of ground forces". What is that, except a pious hope, Mr. Speaker? I think anybody would subscribe to the fact that this would be desirable, but in the white paper or in anything the minister has said at any time there is absolutely nothing to back this up as to when it might happen, if it will happen, and so on. It is just a statement such as saying, "I am against sin". Everybody agrees with that, but what does it mean?

Next is "Air truck fleet being extended; sea lift being augmented". If the air truck fleet is being extended, this is a highly desirable move and I commend the minister and the government for it. I understand from the newspapers they have given orders for another 12, I think it is, Hercules air transports. We bought four of them several years ago for the purpose of experimenting with them, evaluating them and seeing what use they would be. They proved extremely successful. Of course, the idea was that the number of these Hercules aircraft would be increased if we found them satisfactory, and I am glad this is being done. I would hope that more Caribou aircraft would also be purchased along that line.

Now we have the sea lift being augmented. Looking back into this matter it seems that what the minister has in mind is to buy some of what we might call cargo vessels or the equipment in order to carry army personnel from point A to point B, or something along this line. I would hope this would receive a very careful second look and going over, because I think it would be a complete waste of money. You can, as the first and second world wars demonstrated, always hire civilian sea transport for transportation purposes, and for us to spend defence dollars on ships which would be very, very costly in comparison with ordinary cargo ships, in order to have the capability of lifting a certain number of personnel by sea from one point to another would, I think, be a very, very bad waste of defence dollars and I hope nothing along that line will be done.

The next thing here is "A study under way to determine best, cost-effective anti-submarine equipment for future". That is fine. Studies are always good; I have nothing against studies. But a study is no substitute for ships actually in being or under construction. This is the only thing the minister has to substitute for the frigate program which he destroyed and for the ships which he has taken out of commission or has sold as scrap or put into mothballs. All he has to substitute for all these ships which have now disappeared, and the future ones which will not be delivered to the navy when it was planned that they would be delivered, is just a study of the program. As I said, that is not good enough. The actual effectiveness of the navy has been severely cut down and their future effectiveness, as far as we know at the present time, is going to be almost destroyed in the course of time because no program for the rebuilding of ships has been put into effect or is even far enough along so that the minister can make a promise about it, let alone anything else. They are a few of the matters in the white paper, although I do not wish to comment on them at this time.

I should like to end by saying that my chief criticism of the minister and the government from the defence point of view is that the defence capability of this country is being steadily reduced. Nothing is definitely going ahead to replace the equipment which is being laid up or taken out of commission. What this amounts to is really a unilateral decision on our part to reduce the contribution which we had agreed to make to the north Atlantic alliance, and is also a diminution of our ability to meet any commitments which the United Nations may make upon us. This is my main criticism as far as defence is concerned. The minister has been knocking off this, slashing away at that, decommissioning something else, and putting nothing in their place except a lot of big promises. After a year in office it is now time for big promises to come to an end and for the minister to tell us definitely that certain things are going to be done, and to state our program and policy. To date we have had nothing except promises.

Mr. Reg. Cantelon (Kindersley): Mr. Speaker, in listening to the hon. member for Calgary North (Mr. Harkness) it was quite apparent that he was dealing with specifics. It is not my intention this evening to do that. However, before actually launching into what I have to say, may I say that I should like to congratulate the hon. member for Lake St. John (Mr. Lessard) on the constructive aspects of his speech, but the drivel he produced in the middle of it was beneath his dignity as a member, and I found it very difficult to listen to. Surely he does not think that that kind of inflammatory talk will improve relations between the two founding races. Surely he knows that the Royal 22nd regiment was a stand-by battalion and was designated to perform any task such as that of Cyprus which might arise. If it had not been sent on that task I am sure that he, as a French Canadian, would have been one of the first who would have most vociferously objected to the fact that it had been bypassed.

On Friday afternoon, near the beginning of his address, the hon. member for Pontiac-Témiscamingue (Mr. Martineau) said, in essence, that he could see no savings in the suggestion of the Minister of National Defence (Mr. Hellyer), although the minister claims there are. The budget tells us that we spent on defence in the year 1963-64, last year, the enormous sum of $1,699 million. It is true that some economies are shown for the year 1964-65, and I give the minister full credit for introducing them. But his expenditures in the year 1963-64 were $99 million more than the previous year, 1962-63. This year he will save a bit more than this—actually $109 million. Without intending to be sacrilegious, this seems a case of "the Lord giveth and the Lord taketh away".

In fact, in spite of all the ballyhoo of the minister's white paper, the cuts in defence spending for 1964-65 do little more than return us to the level of Conservative spending. The previous government did its task in keeping defence expenditures down to what I think was a legitimate level, and it was very much misunderstood in some parts of Canada as a consequence of its sensible attitude. It was the Conservative government which, in attempting to keep expenditures to the minimum, cancelled that absurdly expensive scheme for the Avro Arrow plane. That is past history now, but I do not think we should forget it. It was something like a $700 million "lemon"; a plane which we were led to believe could fly for only 15 minutes on its fuel supply and whose cancellation brought to an end the remarkable profit-making of a firm which had parleyed in a few short years a small investment into assets of many millions, mostly acquired from business done with the taxpayers of this country. If anything needed to be done it was this cancellation; and it was the previous prime minister of this country, the leader of the official opposition (Mr. Diefenbaker), who had the courage to do it.

It was the leader of this party too who had the courage and the good sense to refuse the Bomarcs, those nuclear weapons which are rapidly being outdated and which the military mind wanted, but which I am quite sure the average citizen did not. Let us not be so foolish as to say that there was a commitment to accept them. Surely none of us has so soon forgotten how at Nassau President Kennedy in a few short words cancelled the development program which his country was undertaking for Britain on an air-to-air missile, and forced Britain to take Polaris submarine missiles instead, thus making useless in a minute a plane which had cost her millions of pounds to develop or, if you like, tens of millions of dollars. Mr. Kennedy did not hesitate to put his country's national interest first, ahead of a so-called commitment made earlier but which he felt time and changing circumstances had modified and eliminated.

So it is with us. Surely we are not so securely tied to the tail of the American kite, no matter how friendly it flies, that we cannot put our own national interest first. Time and circumstances had changed the Bomarc from a possibly valuable weapon to one which would be useless, a weapon program which the United States secretary of defence, so he said, would not have introduced and would not spend a nickel on, if he had to do it over again. But the Liberal government installed them, and by so doing put us unwillingly into the nuclear club. We did not have to accept them and we should not have accepted them.

This saving is only a small part of what should be done to reduce our national expenditure on defence. We cannot, as other hon. members have said, afford to spend approximately 25 per cent of our total budget on defence when we have deficits of the order of $455 million forecast for the coming year. I should like to quote in this regard from the budget white paper, page 91, under the heading "defence expenditures". It says:

> Expenditures of the Department of National Defence and defence expenditures of the Department of Defence Production are again in the largest category of government budgetary expenditure. The total of $1,699 million for 1963-64 is approximately 25 per cent of the aggregate budgetary expenditures of the government for the year and is $99 million more than the total of $1,600 million for 1962-63 when they were 24 per cent of total expenditures.

In a growing and developing country which desperately needs large amounts of capital for use in productive ways, particularly when we have a finance minister who is clearly antagonistic to the use of foreign funds, we cannot divert to useless and non-productive defence expenditures the huge sum of, in round figures, $1,700 million annually.

There is no use saying we cannot reduce our defence budget. It can be done, and it should be done. In addition, it seems to me that much of our present military establishment is based on concepts of how war was fought in the second great war. Even the modifications which the defence minister is proposing seem to be based on the same premise. Such beliefs are as out of date as the Spanish galleon of the great armada when it met Drake's sloops in the English channel or, to use a more modern illustration, as the Maginot line was to the German panzer columns. An imaginative approach to defence

problems will enable us to phase out much that is no longer vital and concentrate where it seems more worth while.

I believe the minister is trying, but I suggest he has not been imaginative enough. In a couple of years, we should be able to bring our defence expenditures to a more reasonable proportion of our total spending and so eliminate our deficits. This will be possible if, of course, conditions do not change in the world to such a degree as to require more elaborate and expensive defence expenditures, a condition to which we are always subject. Even more important is the fact that by making reductions in our defence spending we will be giving a lead to other and greater nations. We will be adding our little bit to a growing tendency toward disarmament and so to the alleviation of tension in the cold war. It is an appropriate time to take such action.

May I quote from an editorial in the Journal of the United Nations for March-April, 1964 headed "Disarmament has Begun". I quote:

> A remarkable thing has happened. After failing, in years of discussion in disarmament conferences, to agree on how to start disarming, the two superpowers have begun to disarm without an agreement. As U Thant has commented, the United States and the Soviet union "seem to have come to the conclusion that no progress towards ending the arms race will be made unless and until they slow down themselves."
>
> Within three weeks of assuming office President Johnson announced that 33 U.S. military bases, seven of them abroad, would be closed down or put on a stand-by basis, and that more cuts were coming. Shortly afterwards, Chairman Khrushchev, announced a reduction in the 1964 Soviet military budget of $600 million. A few weeks after that Johnson cut the new U.S. military budget by $1 billion, and announced a 25 per cent reduction in the production of fissionable materials, with the closing down of four plutonium piles. Earlier, the Soviets had put out feelers to call off, or slacken, the race to the moon.

In this kind of international climate, it seems to me Canada could do her bit to accelerate disarmament. As the months pass it becomes clearer and clearer that the policy of the leader of my party of preparation of the weapon systems for nuclear arms, but refusal of the arms unless or until an emergency arose, was the sensible, intelligent decision. Indeed, it was a decision which would have made it easy for us to give the lead in banning the bomb and leading in and encouraging disarmament. I urge this government, this government with its almost fatal tendency to rush into precipitate action without full consideration of the consequences, to consider this greatest of all ambitions, a peaceful world. I urge them to accelerate economies in defence and to couple these economies with a reorientation of our whole defence policy so that we may once again lead the world towards peace.

[Mr. Cantelon.]

Mr. J. Chester MacRae (York-Sunbury): I should like to enter this debate very briefly, as I am deeply interested in the subject of defence and would like to make one or two observations. First, I wish to congratulate the minister upon the introduction of the resolution to again set up the defence committee. Perhaps I would not be amiss at this particular point if I congratulated the chairman of that committee during the past session, who is now the Minister of Forestry (Mr. Sauvé); the vice chairman, the hon. member for Edmonton West (Mr. Lambert), and also the members of the staff of the House of Commons who served that committee. I feel the committee did an exceptionally fine job, a vital job, during the last session and much is due to these gentlemen.

I am making one criticism at this point of the setting up of the committee. I feel this move has been made too late in the session. Of course, Mr. Speaker, any committee is only valuable, and can only be valuable, if it is given a job to do. I contrast the committees that we have in this parliament with those in the United States where so much of the work that is done in the congress and in the senate is done by committees. The committee chairmen are considered to be the most important members of the congress and senate. Before I leave last year's committee, I should like to say I feel that not only did it do a valuable job, but it was a credit to the House of Commons.

There were 24 members on this committee who, first of all, had an opportunity of listening to experts in the field of defence. They heard the chiefs of staff for air, navy and army, as well as the chairman of the joint chiefs of staff. They heard some who were experts and some who were not experts. Later, the members of the committee had an opportunity to go to NORAD headquarters at Colorado Springs and to North Bay to see the installations there for the air defence of North America. In addition, committee members had an opportunity of going to Europe to talk to the leaders of Great Britain in the field of defence, including the Hon. Peter Thorneycroft, and the leaders of France, West Germany, Denmark and at supreme headquarters of the allied powers in Europe, as well as NATO headquarters. I feel that the members of that committee came back with an excellent knowledge of the problems of this country in defence, as well as the problems of the whole world in this particular field.

On Friday, Mr. Speaker, I had an opportunity of spending a day in camp Gagetown. This particular military establishment is the largest and finest in the commonwealth. It contains over 420 square miles of training

area and, at its peak in the summer, has 12,000 troops. A new city has been built beside the camp to serve those who are stationed there. I feel that the area commander of New Brunswick and the brigade commander of the camp are to be commended, because they brought in 150 citizens of New Brunswick who watched the training and observed the troops in action. We had an opportunity of seeing field firing by the Royal Canadian Dragoons, the Royal Canadian Horse Artillery and the Black Watch. They are all fine units of Brigadier Wilson-Smith's brigade. We had an opportunity to examine how a camp of this size functions.

In the months of July and August of this year we expect 12,000 troops in that area. I was suggesting to the Minister of National Defence (Mr. Hellyer) earlier, and possibly he thought I was joking, that it would be a good thing if during the summer—if we are in session here, and we quite likely will be—an opportunity could be provided for members of the House of Commons to go to camp Gagetown to watch the Canadian army at its best in its training. Perhaps hon. members would gain some knowledge of how the defence dollar is being used and would come back with an appreciation of this.

Now, Mr. Speaker, the Associate Minister of National Defence (Mr. Cardin) discussed the reduction in the armed forces as a result of this integration policy. This is a subject in which the men and women of the armed forces are deeply interested. I have not had an opportunity of discussing this reduction to any great extent with members of the permanent forces. However, I do know that members of the militia in this country are very unhappy indeed.

We know that a few years ago the previous Conservative administration was bitterly criticized because the role of the militia was changed. It was said that instead of having their machine guns, mortars and other weapons they were given sand buckets and stirrup pumps. What has happened to the militia today is that for the most part they are being almost wiped out. I would tell my personal friend, the Minister of National Defence (Mr. Hellyer), and the associate minister, that the militia of the country are deeply concerned about what is happening to them.

I noticed the other day that the minister mentioned there was a need for more recruits, even with a reduction in the total strength. He said that there was no better career for a young man in this country than to enter the armed forces. That, of course, is very true. One of the roles of the militia has been to be a feeder for the permanent forces. It has been in the past and I think it can be again in the future a base for the mobilization of the armed forces if we do find ourselves in another war. Let us hope, of course, that we will never find ourselves in a nuclear war under any circumstances, but if we did the militia could again play its part there.

Recently I put some questions on the order paper directed to the Associate Minister of National Defence (Mr. Cardin). I asked whether he could advise how many civilian employees would be released as a result of integration. The minister gave an answer, which I accepted of course because I thought it was reasonable, that this could not be determined at this particular time. But I would ask the associate minister to give this matter some thought and to see if he cannot allay the fears of the civilians who work for the Department of National Defence. There are a great many men and women, some 40,000 altogether I believe, who are concerned in this particular instance.

We cannot put illustrations on *Hansard*. I sometimes wonder, though, whether it would not be a good idea. I am going to send to the Minister of National Defence a cartoon done by Chambers. Perhaps he has seen it. It shows a kilted soldier waving his claymore —he is a very rugged fellow indeed—while three others are trying to remove his kilt. Standing to one side is the Minister of National Defence holding a uniform and at the top are the words: "Some things are better left alone, Mr. Hellyer". Perhaps the minister has seen the cartoon, but if he has not I will send it to him. It is one that is really worth framing.

There is a point I should like to bring up. I raised this matter when we were in Europe last fall and I make no apology for raising it at this particular time because I am deeply interested in the dependants of the men who serve in the armed forces—the women and children. I am concerned about the matter of education. We know only too well, of course, that in this country we have 10 systems of education and the children who feel the brunt of this more than any others are the youngsters whose fathers are in the armed forces.

I suggested to Colonel Dick, in Soest last year that it would be a very fine thing for the army to have special classes in the summer months so that the more gifted children could advance more rapidly than by simply remaining in their ordinary grades. I have another suggestion in this regard. I have noticed that at camp Gagetown a high school teacher will have youngsters in his class who have gone to school in half a dozen or more of the provinces. I remember one teacher

who took only 15 or 20 minutes for lunch and spent the rest of the lunch period working with students who perhaps had never had the subject he was teaching at all—in this case it was French—or had had a very sketchy education in the subject.

Possibly I have not made myself entirely clear but I can explain the matter more fully to the minister personally. I believe that special classes would be an exceptionally fine thing for these students at Soest, Zweibrücken and other schools overseas in order to help these youngsters who in many cases suffer from the point of view of education because their fathers serve in the armed forces.

There is another matter I should like to raise at this time. It has to do with a rather strange subject known as "Nudets". I put a number of questions on the order paper earlier in the session reading as follows:

1. Are there any units of the nuclear detection and reporting system—

That is abbreviated to "Nudets"—

—presently being constructed in Canada and, if so, who is constructing these units and at what locations are they being constructed?
2. What is the cost...?
3. What is their purpose?

The answers were:

1. No units are presently being constructed.
2. Not applicable.
3. The Nudet reporting posts are designed to determine the location at ground zero of a nuclear explosion, the height of the burst and approximate yield of the weapon.

Then I asked a second question in these words:

Have any discussions been held with the Pentagon relative to the construction in Canada of units of the nuclear detection and reporting system and, if so, what conclusion was reached as a result of these discussions?

Here was the answer:

Discussions have been held between Canadian and United States officials on matters of mutual concern relating to civil defence on a confidential basis. In consequence, the publication of any results of such discussion would require the consent of both the Canadian and United States governments.

The result was that I was given practically no information at all. So many times when questions are asked on the order paper or on the orders of the day the person asking the question already knows the answer. In this particular case I knew the answer and it does not agree with the one I was given. I wish to quote very briefly from the *Saturday Evening Post* of December 7, 1963 which contained an article by Stewart Alsop, a highly reputable writer. He said:

As a gentle reminder of the weirdness of the world we live in, and a small warning against excessive complacency it seems worth while having a look at a peculiar product of our times called Nudets. Nudets is Pentagonese for nuclear detection and reporting system. The Nudets system is being built by the General Electric Company at an estimated cost of $25 million at 52 sites in the United States and southern Canada.

[Mr. MacRae.]

Perhaps the minister can see what I am driving at. Here we are told in one place that they are being built in Canada and in another place we are told that they are not being built in Canada. Perhaps the minister is right but if he is I do not feel it is proper that articles like this should go unchallenged by the Department of National Defence or the Canadian government when we are brought into the picture, if in fact such is not the case.

I have only one very brief point to make before I sit down. This year of 1964 is an anniversary year in many ways for those who have served in Canada's forces in the past. It is 50 years ago that world war I began; it is 25 years since the beginning of world war II, and 100,000 men have given their lives in defence of this country. If it should happen that we should go to war again, let us hope that our forces are completely and fully equipped. War is no longer a feasible or sensible method of settling international disputes.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

NORTHERN AFFAIRS—REDUCTION IN NORTHERN ALLOWANCES AND ISOLATION PAY

Mr. Deputy Speaker: Order. In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore the question is that this house do now adjourn. The hon. member for Churchill.

Mr. Robert Simpson (Churchill): Mr. Speaker, on Thursday last I directed a question to the Secretary of State and asked him, in view of the drastic reductions which have been announced with respect to northern allowances and isolation pay, due to the rising costs of living and the drastic reduction in take home pay for many of the civil servants in the north, would he consider a full investigation and possible reconsideration of this action.

I regret that the Secretary of State is not in his place this evening. However, I would sincerely hope that the Acting Secretary of

State would be able to give the house some answers with respect to this very important question. It is a very important subject and is of great concern to the civil servants and the members of the armed forces who may be affected.

During a recent visit to northern Manitoba I was contacted by a number of civil servants and some members of the armed forces who complained bitterly about this announcement. Some of these people have been advised that as of October there will be a drastic reduction in their take home pay, in some cases as much as $60 to $95 per month.

Many of these people have been in the area for a year or more, but in some cases less than a year. I believe they went there with the understanding that these allowances could be expected for the duration of their tour of duty. The ones who have been there a year have now gained a considerable experience of working with the people in the area, and are becoming very valuable to their departments. If reconsideration is not given to this policy, then I suppose it becomes a matter that these civil servants, and possibly members of the armed forces, will be entitled to ask for a transfer, just at a time when the money that has been spent on them to date in northern allowances and isolation pay is producing results.

If there had been a significant lowering of the cost of living, a move of this nature could be understood and would probably be justified. However, we all know the cost of living has gone up, but their take home pay is to be reduced. With regard to the cost of living I would like to refer very briefly to an article in the Montreal *Star* of April 9 which says:

> Higher clothing, transportation and housing costs helped increase the country's cost of living index from 134.5 to 134.6 in March, the bureau of statistics reported yesterday.
>
> The index, based on 1949 prices of 100, was 1.9 per cent higher than in March of last year.

Briefly, Mr. Speaker, there were certain stipulations and requirements for the receiving of northern allowance. I do not know all the details but I believe various departments had different requirements. In some cases civil servants in places north of the 55th parallel that had no road connections with the outside world, and in some places which did not have rail line service, automatically became eligible for isolation pay or northern allowance. With respect to the people who have complained to me, the situation in their case has changed very little, and in some cases not at all.

Most of the places along the Hudson bay line in northern Manitoba and other places such as the mining town of Lynn Lake have no road connection, even though they do have rail connection. I may say that under the provisions of the roads to resources program and in co-operation with the government of Manitoba a road will shortly be built to Thompson, Manitoba, where many of these civil servants are located. However, that road has not, as yet, been built. Indeed, I think that in any case this is a factor which should not be taken wholly into consideration because in many of these areas which are now getting the benefit of road connections the cost of living has increased; rents have gone up in many cases. For these reasons I shall be interested to hear someone on the treasury benches explain why this policy has been adopted and made known to civil servants. There are in effect northern allowances, rates of isolation pay, and cost of living rates. These reductions, apparently, have taken effect with regard to isolation pay and I should like to hear—

Mr. Deputy Speaker: I am sorry to interrupt the hon. gentleman but his time has expired.

Hon. G. J. McIlraith (President of the Privy Council): The general question raised by the hon. member is of wide interest and I understand his concern about it. I must say, from the observations he has made, that there is obviously considerable need of explanation, because the point is not well understood. There are some 453 posts involved where isolation, remoteness allowances, are granted in addition to regular pay. The general increase in the cost of living does not have any effect because this is taken care of in the salary adjustments which are made from time to time. We are dealing here with an additional item paid by reason of remoteness. With respect to some of the isolated posts there has been no change at all in the allowance paid. In respect to others, the allowance has been increased, and there are some with respect to which allowances have been reduced. It is obviously those cases where the allowances have been reduced which have been brought to the attention of the hon. member.

The present method of determining isolation and remoteness allowances was developed in 1958 as a result of a survey started in 1956 to correct unsatisfactory situations which had been found to exist under the former regulations. What is being done now is to carry out an adjustment within the regulations on exactly the same basis, using exactly the same tests as applied when they were originally set up in 1958. The points considered to determine the allowances in

this elaborate rating system include remoteness, transportation, population, medical services, climatic conditions, entertainment available, schools, the availability of religious services and the provision of water and electricity, as well as the supply of goods available for purchase. These are taken into account in an elaborate point rating system and it is the review of these factors which has brought about a change in the allowances paid. Changes in transportation facilities or, in one or two cases, of telecommunications services and other services have resulted in an alteration in the rates and as a result some posts receive lower allowances —although, as I said, some will receive higher allowances while others will remain at the same level. There is more which could be said but since my time has expired I shall probably have to keep it until another occasion.

UNEMPLOYMENT INSURANCE—APPLICATION OF AVAILABILITY TEST

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, last Friday, May 8, as reported in *Hansard* at page 3059, I sought to put to the Minister of Labour (Mr. MacEachen) this question:

> In view of many complaints regarding the onerous application of the availability test for unemployment insurance benefit, has the minister had discussions about this matter with the unemployment insurance commission? Is any relaxation of the application of this test in prospect?

The Chair felt there was not sufficient urgency to this question for me to expect an answer to it on orders of the day. I may say that I do not mind waiting until tonight, but I hope the answer will be a good one. I regret that the Minister of Labour is not here, but if the parliamentary secretary comes up with a good answer, we will give him full marks for it.

I am sure all hon. members of the house are aware of what has happened. Persons who are in receipt of unemployment insurance benefits, and in some cases those who have not yet started to draw them, find themselves called upon to answer certain questions. In particular they are asked what kinds of employment they would take and what rates of pay they would accept. Many of these persons, trying to be helpful, will list certain occupations they would take and certain rates of pay for which they would settle, and a little while later they find they receive a notice from the unemployment insurance commission to the effect that they have restricted their availability for employment and therefore unemployment insurance benefit is either cut off or denied them. That is a simple and direct clarification of what I meant by the phrase "onerous application of the availability test for unemployment insurance benefit". It has been drawn to the attention of the government several times during the course of this session, and in the view of many of us who have received complaints from insured workers about this matter, this test should be relaxed. I hope that the answer is a favourable one; that the minister has had discussions about this matter with the unemployment insurance commission, and that we can anticipate a relaxation of this test at an early date.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the hon. member has re-read his question so I think it is unnecessary for me to repeat it. Suffice it to say that up to that moment the minister had not had discussions which would lead to the relaxation of this test as suggested by the hon. member. However, that is not to say that the hon. member's representations will not be considered. But in defence of the officials of the commission I think I should say a few words. The applicable section of the Unemployment Insurance Act, 54(2)(a), provides:

> An insured person is disqualified from receiving benefits in respect of every day that he fails to prove that he was capable of and available for work.

The hon. member will note here that the onus of proving availability is on the claimant. In doing so he must show that he is genuinely ready and willing to accept suitable employment immediately; that is, at the time he applies. Also, there must be a reasonable expectancy of obtaining the kind of employment that he is, by his own admission, willing to accept. I am sure my hon. friend does not quarrel with this as an insurance principle.

The hon. member is no doubt aware, also, that there is a wide misconception that unemployment insurance benefits are a matter of right based solely on having established the fact that premiums have been paid. Because of this misconception the commission often finds that a claimant will, in the initial application, indicate that he or she is not interested in obtaining employment. Such person will subsequently change the statement, although having been given a copy of it at the time. It will be on record and the officer must, of course, take cognizance of that fact.

Over the last four years the number of enforcement officers has been appreciably increased, I believe something like 70 in number. The net result has therefore been that a closer check has been made and the administration of the act tightened up. We have no doubt come across a number of people who are really not available for work, and as

a consequence they have been disqualified. If the hon. member has any specific case—

Mr. Knowles: Yes, I have.

Mr. Byrne: —which he wishes to bring to the attention of myself or the minister or the commissioner, then we will be pleased to look into them to determine whether there has been any unfairness in the administration of the act.

CANADIAN NATIONAL RAILWAYS—MARITIMES—REQUEST FOR DELAY IN REVISION OF MAINTENANCE OPERATIONS

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, on Friday, May 8 I posed a question to the Minister of Transport. I do not see him in his seat tonight and I understand he is out of town and unable to be present. However, I assume he has a stand-in. This question was with reference to the plans of the C.N.R. to revise its maintenance of way methods in the maritime area. These new methods are scheduled to commence on June 1. On Friday last I suggested that this will cause great disruption and hardship among the employees, with ultimate unemployment for a large number. The minister stated in his reply that the new methods they are planning to put into effect will not result in any decrease in employment until such time as there are retirements of existing employees who may not be replaced. But ultimately there is going to be unemployment as a result of this, and that is a play on words by the minister.

I followed up this question by asking the minister whether he was aware that many of these employees of the C.N.R. would be uprooted from their homes and would have to be moved to other areas, as a result of which great disruption would be caused. He advised me that he would refer the matter to the management of the C.N.R.

This is not the first time this question has been brought up. The junior member for Queens brought it to the attention of the minister on April 7 and the hon. member for Pictou mentioned it as well. Again the matter was going to be drawn to the attention of the C.N.R. The hon. member for Cape Breton South also brought the subject to the attention of the minister and suggested that any revision in the maintenance of way methods be delayed until at least the railway committee met or the estimates were studied; and the minister said that he would bring the question to the attention of the C.N.R. On Friday, as I said, he was again going to bring my question to the attention of the C.N.R.

However, Mr. Speaker, we are not getting any information. I understand from the union officials that this is going to affect 32 section foremen who will be reduced to the position of sectionmen, and then ultimately 74 sectionmen positions will be abolished. Not only that, but it will lengthen the sections which are to be maintained, and therein arises a safety factor. I hope that this matter is going to be looked into. It affects railwaymen from Sydney to Centreville, New Brunswick. This is a rather urgent and serious matter and I am hoping for some other type of reply than the one we have been receiving.

So we find, Mr. Speaker, that the C.N.R. continues drastically to reduce their working force in the maritimes, putting more men on the unemployment roles. The claim is always that they are economizing and at the same time increasing their efficiency. I suggest that the C.N.R. is top-heavy with economists, so-called specialists, and even inspectors to inspect the inspectors, and I suggest that this is a false economy. There is an old Chinese proverb which goes something like this: "There is no economy in going to bed early to save candles if the result be twins". I suggest that the "twins" in this case are the increased unemployment which will result. I appeal to the minister, or whoever represents him tonight—and I realize it is impossible for him to be here—to make immediate representation to Mr. Donald Gordon, the president of the C.N.R., to take another look at this question and to delay the implementation of the proposed revision at least, as the hon. member for Cape Breton South has requested and suggested, until the railway committee has a chance to study this matter.

We are finding cut-backs not only on the Canadian National but in the Departments of National Defence, Northern Affairs, Transport, Public Works, and so on. As a result, we have increased unemployment. I hope the representative of the minister here tonight will have something more encouraging for the men who are going to be so drastically affected.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is a fact that the minister is out of town tonight on official duty. Last Friday the minister assured the hon. member that he would bring his statement to the attention of the management of the Canadian National.

Mr. Muir (Cape Breton North and Victoria): He keeps saying that.

Mr. Cantin: It must be remembered that the Canadian National is a crown company and the minister will not interfere with its

administration. However, a report has now come to the minister and the management advises that because of improvements that have been made in recent years to the railroad structure, the railway has for some time been studying the possible reorganization of railroad maintenance forces and procedure. This proposal will be extended to all regions and not restricted to the Atlantic region.

The management goes on to say that, generally speaking, this reorganization, which contemplates the extension of territories currently worked by track forces, decreasing the number of gangs and increasing the size of some crews, will ultimately result in a reduction of staff requirements. However, in the Atlantic region, the hon. member will be glad to know it is not contemplated that this will cause any lay-offs of employees, as it is the intention to reduce the forces over a period of time through normal attrition.

Motion agreed to and the house adjourned at 10.23 p.m.

HOUSE OF COMMONS

Tuesday, May 12, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. PIGEON—LACK OF BILINGUAL REPORTERS IN HOUSE COMMITTEES

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to raise a question of privilege affecting all hon. members.

It has to do with the lack of bilingual parliamentary reporters, especially for the committees of the house. The Laurendeau-Dunton commission should inquire about that deplorable situation existing right here in parliament before travelling all over Canada.

I then ask the Prime Minister (Mr. Pearson) to empower the Laurendeau-Dunton commission to act accordingly.

Mr. Speaker, instead of spending half a million dollars to make investigations, the government should assume its responsibilities and take positive action by providing the committees of the house with a bilingual reporter.

An hon. Member: What did you do for six years?

Mr. Pigeon: We had some.

[*Text*]

Mr. Speaker: Order. There is no question of privilege. If it is anything it is a complaint.

CITIZENSHIP DAY

OBSERVANCE ON FRIDAY, MAY 15

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to draw the attention of the house to an event which has particular significance to all of us in Canada at this time. I refer to the observance of Citizenship day, which will take place on Friday, May 15, and which, in some of the larger centres, serves as the climax of what has come to be known as citizenship week.

Since 1950 Citizenship day has provided a special opportunity for all Canadians to consider the advantages that we enjoy as citizens in a great and free democratic country. Perhaps even more important, it serves to remind us of the responsibilities that rest upon us all as we strive to make Canada even stronger and more united in the years that lie ahead.

Citizenship day has not been regarded as a public holiday or an occasion for festivities. It is rather a day when special ceremonies and exercises may be conducted in our communities and schools; when we can reassess what it means to be Canadian.

As citizens of Canada we can all take pride in our evolution as an independent state; we can take pride in the role we are able to play in international affairs, and in the contributions that we have made and are making toward the maintenance of peace and security in the world.

In 1867 the British North America Act united four provinces into one federation. Confederation was an "act of faith" that grew out of compromise. The founders, English speaking and French speaking, foresaw a great new nation stretching "from sea to sea". This faith in Canada, held a hundred years ago by the fathers of confederation, has now been realized geographically. It remains for us now to realize it in every other way. As we approach Citizenship day all Canadians, whatever their traditions, languages and cultures, will wish to recall the purposes of our forebears, to create a nation broad in outlook, strong in unity and purpose, every one of whose inhabitants will be able to say with justifiable pride "I am a Canadian citizen".

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with the concluding words of the Prime Minister there will be general agreement. I should like to see citizenship week celebrated during the later part of the month of June, so that on July 1 we might actually celebrate our citizenship and all that it means. Certainly Canadians deserve to be made Canada conscious and Canada proud, and to have the pride of Canadians not only in our heritage but also in our destiny. Throughout the years I think it has been said of Canadians that we have been notoriously calm about our country, in lacking that spontaneous attitude of pride and expressed pride in its greatness.

When I was prime minister we endeavoured to bring about one day in the year on which Canadians might join in celebration and on July 1, 1957, and each year since then there has been the celebration on parliament hill. In addition we also provided for the changing

of the guard, a course that has brought to Canadians a pride in our country and to our visitors a knowledge of what Canada stands for, which is so necessary.

The Prime Minister said that at confederation the dream was the building of a nation from sea to sea. In my opinion that concept of one Canada is all the more necessary today than ever before.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: As we approach the one hundredth anniversary of our country we must not do anything which will divide Canadians into two classes. Canadians first class and Canadians second class. That is a message I believe Canadians as a whole hold dear, and rather than a message of fear they would like one of faith.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of this party would like to associate themselves with both the Prime Minister and the Leader of the Opposition in commending the recognition of Citizenship day and all that this implies in our rich heritage.

We hope that the celebration of citizenship week will help all of us to realize the great privilege we have in living in a country made up of people of different ethnic backgrounds and various cultures, and that we should realize what a great opportunity is ours, to live in a country which supports the ideals of freedom and justice, a land in which we have great opportunities for the flowering of the human spirit. We trust too that the celebration of citizenship week will help us realize we cannot have opportunities without responsibilities, and that this is an excellent time for all of us to think of the responsibility which is ours to build a united Canada.

We live in a shrinking world in which nations are coming closer together. On the old continent of Europe nations which have lived in a state of bitter enmity for centuries are now working out a *modus vivendi*. Surely if these ancient enemies can live together in a spirit of harmony we here in Canada of the two great founding races can work out our difficulties satisfactorily.

I trust that as a result of citizenship week, and of giving some thought to this problem throughout the year, we in Canada shall be able to learn to live together in a spirit of mutual understanding, mutual forbearance and mutual respect. I trust citizenship week will inspire all Canadians to work to that end.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is with much pleasure that we in our group join with the Prime Minister and the spokesmen for the other groups in the house to give our support to what has been said and what is represented in citizenship week, and particularly in Citizenship day on Friday. One of our greatest needs in Canada today is to realize and appreciate just what Canadian citizenship means, not only the privilege it brings to each one of us but the responsibilities it carries as well.

This means being proud to be a Canadian. I think it would be well to pay tribute at this time to the Rotary clubs of Canada for the tremendous work they are doing in developing citizenship, and in bringing representatives from right across the country to Ottawa for citizenship week, in their program "Adventures in Citizenship". As we meet these young people, many of them from our own constituencies, I think it can be a lesson for each of us as members of parliament. Certainly it is well to remind ourselves that the privilege of being a Canadian carries with it the responsibility of acting like ones as well. As we give this witness in the international aspects of our responsibilities abroad, may it reflect back to us in every aspect of our Canadian way of life.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we in this corner of the house gladly join with the right hon. Prime Minister (Mr. Pearson) in drawing attention to Canadian Citizenship day.

The Prime Minister stated that as Canadian citizens we could be proud indeed on many accounts. We are proud of our development as a state, but it is the independence of that state which we would like to celebrate on Citizenship day. However, when we know that we cannot make a single move without the permission of our neighbour to the south, I wonder what we can normally call an independent state.

We have often heard high sounding words on holidays or celebrations of one kind or another.

The Prime Minister also said: We can be proud of the role we can play in international affairs to maintain peace and security in the world. That is true. But, for a small nation I think we have done even more than our share in that respect. When the government tells us that to maintain peace in the Congo—that world peace which we will celebrate on Citizenship day—Canada had to disburse $12,460,000 for the upkeep of its troops in that part of the world, it forgets to add that out of that amount the United Nations owe us $6,369,000 and has no money to repay us.

Since the creation of the UNEF and up to March 31, 1964, in order to help maintain peace and security in the world, Canada has

contributed the staggering amount of $46,005,000. The UN are supposed to pay us back $15,950,000 but it does not have the money to do so.

In my opinion that is a rather substantial contribution to the cause of peace and security in the world on the part of Canada. We have nothing against that. If I mention this, it is only to give an example of the assistance we can give throughout the world for the maintenance of peace. In the light of that example, I feel it would also be necessary to ensure peace and order in Canada so that we can celebrate Canadian Citizenship day.

Whether or not confederation was an act of faith that grew out of compromise, as the Prime Minister stated, the founders, both French speaking and English speaking, envisaged the establishment of a great new nation. Now, I claim that if the other provinces besides Quebec had treated their French speaking minorities the same way we treated our English speaking minority and others, the celebration of Canadian Citizenship day would be better understood throughout the country.

However, that does not stop us from celebrating with the others that great day dedicated to confederation and Canadian citizenship.

I contend that as long as French speaking minorities in the other provinces do not enjoy the treatment given to English speaking Canadians in Quebec, there will be people, not only in Quebec but throughout the country, who will doubt the usefulness of having a Canadian Citizenship day.

In any event we hope that this Citizenship day will be understood better. To be a Canadian does not mean to be a man settled in an ivory tower, impervious to other elements of our Canadian society.

We wish for a more united and a stronger than ever Canada, as the right hon. Prime Minister said. But let us begin by taking action at home that will give us that unity which will enable all ethnical groups in our country to have a share and a place in our Canadian confederation.

[*Text*]

Mr. Winch: I should like to ask a question, Mr. Speaker. Under the new orders, is it only the leaders of the parties who can comment on a matter like this, or can a private member make a comment? I ask for your decision.

Mr. Speaker: Well, it does seem to me that the business before the house is pressing and urgent. If we were to allow 265 members to make comments, even on Citizenship day, it would require a considerable amount of time. I hope in that rather disjointed answer the hon. member has received the proper interpretation.

Mr. Winch: I understand, then, that under these regulations once the party leaders have spoken nobody else can rise to say a word? I ask for your guidance.

Mr. Speaker: The answer is yes.

[*Later:*]

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Prime Minister relating to his statement about "citizenship Friday." In view of the interest of the Prime Minister in this matter I should like to ask him whether he would be prepared to ask the Department of Citizenship and Immigration why people who had been accepted for citizenship by the court over three months ago have not yet received their citizenship papers. Also I have knowledge of three members of the armed forces who after six months have not received their citizenship papers. Finally, why have they not received any answer to the various letters which have been sent to the department of citizenship? Would the Prime Minister look into this matter for Citizenship day?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would be glad to look into this matter at once; and if my hon. friend would give me the details of the cases he has in mind it would help me.

Mr. Winch: They are already in the hands of the minister.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): May I direct a question to to Prime Minister relating to the situation in the Alberni valley. The occurrence took place on March 27, and six weeks have gone by. I should like to ask him whether he would cut through the red tape, the political differences and the hassle between this government and the British Columbia government and do something immediately on behalf of these people. Is the federal government going to make a contribution to the Alberni valley disaster fund?

This is an emergency matter and the people are waiting for action. They have even gone so far as to say that "the politicians should shut up; it is time to put up." I wonder if the Prime Minister would be able to give these people a message of early action.

Right Hon. L. B. Pearson (Prime Minister): I will ignore the out of order and offensive form in which the right hon. gentleman put his question—

Some hon. Members: Oh, oh.

Mr. Pearson: The question was put in an offensive form, but I will ignore that.

Mr. Monteith: Conduct yourself as Prime Minister.

Mr. Pearson: I would be glad to conduct myself as Prime Minister if the right hon. gentleman would ask his questions in the form in which a former prime minister should ask them.

Mr. Diefenbaker: Petulance is no substitute for action.

Mr. Pearson: I would reply to the right hon. gentleman by telling him that he has his facts wrong. We have been trying to get from the government of British Columbia for a good many weeks details of damage without which it would not be possible for the federal government to make a decision on this matter. We have now received information—it came a few days ago—telling us the aggregate amount of the damage incurred. We have not yet received details. Nevertheless we are inclined not to wait for these details but to take action in this matter, and I hope to be able to announce tomorrow or the next day the amount of money which the federal government will be able to contribute to the victims of this disaster.

Mr. Diefenbaker: Now that the Prime Minister has substituted some information for petulance, may I ask him whether it is intended to make a donation to this disaster fund, aside altogether from the division of responsibility as between the federal and provincial governments?

Mr. Pearson: Yes, it is the intention of the federal government to make a donation, but surely the right hon. gentleman will realize that before a decision can be made on the amount of the donation we are entitled to have all the details with regard to the damage incurred.

LABOUR CONDITIONS

ST. JOHN'S, NFLD.—STEPS TO SETTLE LONGSHOREMEN'S STRIKE

On the orders of the day:

Hon. Michael Starr (Ontario): I had wished to address an urgent question to the Minister of Labour but in his absence, and since I do not know who is the acting minister, I address it to the Prime Minister. In view of the fact that longshoremen at St. John's, Newfoundland have been on strike for almost three weeks, is the government prepared to intervene in some way to help bring about a settlement of this dispute?

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to take up this matter with the Minister of Labour.

EXTERNAL AFFAIRS

HOLLAND—REFUSAL OF ENTRY TO CANADIAN VOICE OF WOMEN PRESIDENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Prime Minister if his attention has been drawn to the fact that Mrs. C. B. Macpherson, national president of the Canadian Voice of Women, was denied entry to Holland. I understand she has since been notified she can return and that she is now planning to go back to that country. I should like to ask the Prime Minister if the government has any information why a law abiding Canadian citizen, particularly the president of a national Canadian women's organization, should be denied entry to a friendly state; and if the right hon. gentleman can tell the house whether the barring of Mrs. Macpherson and other women was requested by the NATO authorities.

Right Hon. L. B. Pearson (Prime Minister): The only information I have on this matter is what I read in the press. When I read that report I asked that an inquiry be made into the incident.

Mr. Douglas: Will the Prime Minister give a report to the house when he gets this information?

Mr. Pearson: Yes, I shall be glad to do that.

CYPRUS—NUMBER OF TROOPS UNDER U.N. COMMAND

On the orders of the day:

Hon. C. M. Drury (Acting Secretary of State for External Affairs): Mr. Speaker, yesterday the hon. member for Oxford asked a question regarding the composition of the military force in Cyprus, and in particular the number of troops at present in the United Nations peace keeping force. That number is 6,363. The hon. member also wished to know whether any British troops had been withdrawn from Cyprus. The answer is that the total number of British troops withdrawn as of May 6 was 781.

Mr. Speaker, I have here a breakdown showing, by numbers, the military and police forces in Cyprus divided among the seven countries providing military forces and the

five countries providing police forces. With the consent of the house I would be glad to have this printed in *Hansard*.

Some hon. Members: Agreed.

[*Editor's note: The figures above referred to are as follows:*]

Strength of UNFICYP

UNFICYP	May 6	June 6
Austria	12	54
Canada	1098	1133
Finland	1004	1004
Ireland	636	637
Sweden	894	961
Denmark	0	976
U.K.	2719	2100
Total	6363	6865
Police		
Austria	33	33
Sweden	40	40
Australia	0	40
New Zealand	0	20
Denmark	0	40
Total	73	173
Grand Total	6436	7038

SOUTH VIET NAM—U.S. REQUEST FOR ASSISTANCE FROM NATO COUNTRIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister say whether there is any basis of fact in a press suggestion to the effect that the United States has asked for assistance among NATO nations to meet the threatened situation in South Viet Nam? Has there been any request made to Canada in that connection, and if so would the Prime Minister take the house into his confidence and let us know exactly what is the position in this regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, to my knowledge no such request has been made of the Canadian government. Whether the matter has been raised today or was raised yesterday at the NATO council meeting, I have not yet had a report. The secretary of state was in Ottawa about 10 days ago and he discussed various matters with me, including the situation in Viet Nam. At that time he made no request of any kind for Canadian assistance. He did pay tribute to the work of the Canadian representative on the three power commission in Viet Nam. He said he understood that our representative on that commission was being replaced, as he had been called back to Ottawa, and he hoped that the replacement would get to Viet Nam as quickly as possible. That is the only matter which was discussed.

Inquiries of the Ministry

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, a supplementary question. I wonder whether on the return of the Secretary of State for External Affairs from the NATO ministerial meeting it would be possible to arrange an early debate on international affairs.

Mr. Pearson: Mr. Speaker, I would hope so. On the estimates, perhaps; or when the Columbia river treaty matter is finished in the committee it might be possible to initiate a debate in the external affairs committee. But at one place or the other I hope we will have an early discussion.

BUSINESS OF THE HOUSE

INQUIRY AS TO SITTING ON VICTORIA DAY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is directed to the Prime Minister. In view of the fact that our national holiday on Monday next ties in with citizenship week, which is this week, is it the intention of the government to make Monday a holiday for members of this house?

Right Hon. L. B. Pearson (Prime Minister): After discussions with representatives of the other parties during which I think agreement was reached on this matter, it has been decided to place a resolution on the order paper today which I hope will satisfy the hon. gentleman and other hon. members of the house and which does, I believe, provide for a long week end.

ADMINISTRATION OF JUSTICE

ST. VINCENT DE PAUL PENITENTIARY—REMISSION OF CORPORAL PUNISHMENT

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Could the minister tell the house if it is true that criminals sentenced to the lash and held in the St. Vincent de Paul penitentiary do not have to receive that penalty, and this without the knowledge of the judges who passed the sentence.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I thank my hon. friend for having given me notice of his question. Just before coming into the house I received information to the effect that sentences such as the ones which include the lash are carried out at St. Vincent de Paul, but that, in certain cases, the parole board has granted remissions, so that some sentences have not been carried out.

The sentence is always carried out unless the parole board recommends a remission.

However, I shall be pleased to obtain further details in this connection.

Mr. Balcer: A supplementary question, Mr. Speaker.

Does the national parole board have the right or not to remit those penalties or to change the sentences?

Mr. Favreau: As I have just said, I did not have time to inquire personally, but I shall try to obtain further information and report to the house.

[*Text*]

URANIUM

INQUIRY AS TO ACTION TO KEEP MINES OPERATING

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a question to the Prime Minister?

Could he tell the house whether a final decision has been taken in respect of Elliot Lake and Bancroft mines, that is will they continue to operate or will the government definitely permit that the plants which produce uranium be closed down because it has decided not to buy or stock uranium in Canada any longer?

Could the house obtain a clear answer in this connection?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): In regard to stockpiling, the decision was made public in the house a week or so ago, I think, by the Minister of Trade and Commerce, who indicated that it was not the intention of the government to continue stockpiling. It will be recalled by hon. members that when the decision to stockpile was reached a year ago and announced to the house it was made perfectly clear to the house, to the country and to all the communities affected that this stockpiling would go on for one year only, and that in the course of that year efforts would be made to help the communities against the ending of stockpiling and the closing of certain mines.

Since the decision was reached not to continue stockpiling, in other words to maintain the decision arrived at a year ago, efforts have been made and are being made both to assist the mines, or some mines, to continue; also to assist the communities affected. When there is any concrete announcement to be made on this matter, and I hope it will be before long, I shall be glad to make it to the house.

[Mr. Favreau.]

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Prime Minister if the commitment which was made to send people from the Department of Labour into these communities to make arrangements for training and placement has been carried out?

Mr. Pearson: Yes; representatives from the Department of Labour have been in the communities to that end, and other steps are being taken in connection with retraining which I hope to be able to announce shortly.

Hon. Michael Starr (Ontario): I would ask the Prime Minister whether the province of Ontario has agreed to undertake this training.

Mr. Pearson: We are in consultation with the government of the province of Ontario with respect to ways and means of establishing facilities which will be of help in this situation.

PUBLIC SERVICE

NATIONAL DEFENCE—BENEFITS TO CIVILIAN EMPLOYEES COMPULSORILY RETIRED

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): I wish to address a question to the Prime Minister. Will the government give favourable consideration to the request made by the civil service federation to the effect that special benefits be paid to the civilian employees of the Department of National Defence who will be compulsorily retired as a result of changes announced by the minister?

Right Hon. L. B. Pearson (Prime Minister): This whole matter is under consideration.

CANADIAN FLAG

REQUEST FOR FREE VOTE OF MEMBERS ON DESIGN

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I have a question for the Prime Minister. Will the right hon. gentleman give an assurance that when the design for the proposed new national flag is presented to parliament all members of this house will have a free vote, and that the defeat of the design would not be considered a vote of non-confidence in the government?

Right Hon. L. B. Pearson (Prime Minister): When the time comes to submit the decision of the government in this matter to the House of Commons I would hope every member of the house would vote as his conscience dictates, and that there would be no question of confidence or non-confidence in a party sense.

Mr. Diefenbaker: Another retreat.

Mr. Coates: Does the Prime Minister not feel that if members were not bound to vote along party lines their constituents could more usefully inform them of their views, and they might vote as representatives of their constituencies rather than as supporters of the Liberal party?

Mr. Speaker: Order.

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, I wish to address a question to the Prime Minister on the same subject. I am under the impression that it is contrary to the usages of this house to display symbols, even the national flag of Canada, on your desk. I would like to ask the Prime Minister, because I cannot ask Your Honour, what foreign symbols or flags are displayed on the desks of some hon. members to our left?

An hon. Member: Monstrosities.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege.

A while ago the hon. member for Marquette (Mr. Mandziuk) rose on a question of privilege as to the emblems we have on our desks this afternoon. Now, I believe the words he used were not very respectful toward the members who brought with them a miniature flag, which has certainly caught the attention of some members and which the Prime Minister (Mr. Pearson) likes very much, for he has been looking at it ever since he came into the house.

Mr. Speaker, I do not think that a member has the right to insult anyone in this house.

[*Text*]

Mr. Coates: I rise on a question of privilege—

Mr. Herridge: Mr. Speaker, I have a question supplementary to the one I could not ask.

Mr. Speaker: Order, please. The hon. member for Cumberland has risen on a question of privilege.

Mr. Coates: On a question of privilege, Mr. Speaker, by order in council passed in 1945 the red ensign is Canada's national flag, and I see no reason or justification for any other symbol but that flag.

Some hon. Members: Hear, hear.

Mr. Mandziuk: On the same question of privilege, Mr. Speaker, in reply to the hon. member—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I cannot hear the hon. member.

Mr. Mandziuk: —until this parliament legislates the abolition of the red ensign as the national flag of Canada, we have no right to display just any rag in here.

Mr. Bell: Three flag Jack.

Mr. Hellyer: Same old bunch.

Mr. Mandziuk: You've said it.

Mr. Speaker: Order, please. It seems to me that I should tell all hon. members what is the general practice in the house. It is not customary to display flags, apples, tins of honey or other things on the desks of hon. members, except perhaps flowers on the birthday of the Prime Minister or the Leader of the Opposition. On the other hand I do not think it behooves the Speaker to act as a schoolmaster on all occasions; he has plenty of opportunity without overstressing the fact. I do think it is up to all hon. members to use their own best judgment and to act in accordance with their conscience as members who have taken the oath of allegiance.

Mr. Prittie: On a question of privilege, Mr. Speaker, as a teacher I wish Your Honour would be more careful in your language.

Some hon. Members: Oh, oh.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Transport. Since the minister presided at the inauguration ceremonies of the second microwave system, would he tell the house whether he will use this communication system to sell to the Canadian people the idea of having six flags?

[*Text*]

FINANCE

CANADIAN ATTENDANCE AT MEETING OF INTERNATIONAL MONETARY FUND

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to our genial and long suffering Minister of Finance on a series of meetings that have a particular fascination for me at this time. Is the government or the Bank of Canada sending a representative to a meeting of the international monetary fund which is to be held in Tokyo this fall, to receive a report on methods to deal with international gold reserves, the international liquidity position as a result of co-operation, and the increasing problem of anticipated inflation?

Mr. Speaker: Would the hon. member put this question on the order paper.

Inquiries of the Ministry

INQUIRY AS TO POSSIBLE TAX REDUCTION

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of Finance. In order to stimulate the Canadian economy, does the minister intend to comply with the wish expressed by the president of the Canadian Manufacturers' Association, Mr. Roy Crabtree of Montreal, who asked recently in Calgary for a reduction of the fiscal burden similar to that applied by the United States government? In addition, I know that such is also the wish of all Canadians.

[*Text*]

Mr. Speaker: Order. It seems to me this is an involved question which should be put on the order paper.

[*Translation*]

Mr. Laprise: Mr. Speaker, with your leave I should like to raise this subject after ten o'clock.

[*Text*]

FISHERIES

PACIFIC COAST—LEGISLATION RESPECTING LICENCE LIMITATION

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Fisheries. Is consideration being given to legislation with regard to licence restriction or limitation for commercial fishermen on the Pacific coast?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, although the matter has been referred to me there is no intention of taking action at this time.

AGRICULTURE

INTEREST RATE ON FARM CREDIT CORPORATION LOANS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Is there any truth in the current statements that the government proposes to increase the interest rate on farm credit corporation loans from 5 per cent to 6 per cent?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, my estimates will be up on Friday, and at that time we shall be able to discuss this question.

[Mr. Speaker.]

CONSULTATION WITH FARM ORGANIZATIONS BEFORE DAIRY POLICY ANNOUNCEMENT

On the orders of the day:

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Can he tell us whether the farm organizations have been consulted before the announcement of the new farm policy was made in the house, on April 29 of this year, that is a few hours prior to the implementation of that new policy?

[*Text*]

Hon. Harry W. Hays (Minister of Agriculture): Yes, Mr. Speaker. I believe we met with all the farm organizations including the federation of agriculture, which comprises many of the farm organizations. Since that time we have also met with many of the people interested in manufacturing dairy products. I think we are still prepared to meet people at any time they have anything to discuss with us.

[*Translation*]

Mr. Vincent: I have a supplementary question, Mr. Speaker. Could the Minister of Agriculture tell us whether he intends to make some amendments to the policy announced on April 29 last?

[*Text*]

Mr. Hays: Mr. Speaker, I did not quite follow that question. Would the hon. member repeat it?

[*Translation*]

Mr. Vincent: Does the Minister of Agriculture intend, in view of those representations, to amend the policy announced on April 29 of this year?

[*Text*]

Mr. Hays: No, Mr. Speaker.

EDUCATION

LOANS TO STUDENTS—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the fact that many students are now beginning to plan their course of studies for next year, could the minister give the house some information as to when he is likely to bring down the legislation providing for student loans?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I cannot give an exact date, but the government is anxious to proceed with this legislation as soon as we can.

TRANSPORT

IMPLEMENTATION OF RECOMMENDATIONS OF ROYAL COMMISSION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Transport whether he can give the house some indication of when the government will be introducing its legislation with regard to amendments to the Railway Act based on the MacPherson report. This question is rather urgent because there are a great many people who would like to appear before the committee, and they would like to have some indication as to when they should schedule this.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, notice of the resolution preceding that legislation will appear on today's notice paper. I hope we can get on with it just as quickly as the timetable of the house permits.

CANADIAN COMMERCIAL CORPORATION

REASON FOR ABOLITION WITHOUT PARLIAMENTARY APPROVAL

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Minister of Industry and Minister of Defence Production, if I can have his attention. Why has he abolished the Canadian Commercial Corporation without asking permission of parliament beforehand?

[*Text*]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the Canadian Commercial Corporation has not been abolished.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I wish to ask a supplementary question. Can the minister tell the house how it happens that he deprived Mr. Lamoureux, the chairman of that corporation, of all powers and that he makes such decisions himself, even using for patronage purposes that crown corporation which does not exist any longer for all practical purposes?

[*Text*]

TELEVISION

REMOVAL OF FREEZE ON PERMITS FOR CABLE TELEVISION SERVICE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address my question to the Minister of Transport. Could the Minister of Transport advise the house when he intends to remove the freeze that was placed upon the issuing of permits for the installation of cable television, as he announced last December 21?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, there was not a freeze, of course, on all these installations, only on certain types of them. I hope it will be possible in the next week or two to reach a decision as to what is the advisable long term course in this matter, and to advise the house as soon as a decision is reached.

PENSIONS

CANADA PLAN—CONSULTATION WITH PROVINCIAL LEGISLATURES ON CONSTITUTIONAL AMENDMENT

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister which is prompted by a news report I noticed this morning, which suggested that the premier of Quebec is going to consult his legislature before dealing with the question of a constitutional amendment on which the pensions legislation may be founded. Has the Prime Minister received letters from premiers of other provincial governments which suggest that they in turn will not be giving any consideration to this issue until they have consulted with their legislatures?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, but it is my impression that the other provincial governments have already agreed to a constitutional amendment. Whether they consulted their legislatures at the time I am not sure.

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I wonder whether the Prime Minister intends to table the answer he has received from Premier Lesage on fiscal arrangements. Apparently this letter was tabled yesterday in the Quebec house, and I wonder whether the Prime Minister is ready to table it here.

Mr. Pearson: Yes, Mr. Speaker, but it was not an answer; it was a letter from the premier of Quebec, and I should like to table it

along with my reply, which I hope will be going off this afternoon.

VETERANS AFFAIRS

INCREASE IN VETERANS LAND ACT LOANS

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Is consideration being given to amending the Veterans Land Act so as to increase loans for V.L.A. farmers in line with the proposed increases under the Farm Credit Act?

Mr. Speaker: Would the hon. member put this question on the order paper.

NATIONAL DEFENCE ACT

AMENDMENTS RESPECTING REPLACEMENT OF CHIEFS OF STAFF COMMITTEE

The house resumed, from Monday, May 11, consideration of the motion of Mr. Hellyer for the second reading of Bill No. C-90, to amend the National Defence Act.

Mr. Heber E. Smith (Simcoe North): Mr. Speaker, before dealing with the matters covered in the white paper I should like to comment very briefly on the question of early retirement of officers and serving soldiers as a result of the intended reorganization. There were some things in the statements of both the minister and the associate minister which I found rather disturbing, and I hope their attitude is not a hard and fixed one.

As reported at pages 3139 and 3067 of *Hansard* the associate minister and the minister respectively referred to compulsory retirement and selection as though people were going to be forced out of the services against their will. Other countries have had to face this problem, and as the hon. member for Calgary North said last night no person is indispensable or irreplaceable. Therefore it would seem to me that the emphasis in this matter ought to be on election and choice rather than on selection and compulsory discharge.

In that regard I would like to cover one age group which will be particularly affected, namely those people who have had upwards of 20 years of service and are around 40 years of age. We all know it is very difficult for a person over 45 years to become employed, or to seek a new job, particularly because of their difficulties in getting into plants which have established pension plans. I am thinking particularly of warrant officers, N.C.O.'s and privates in their late thirties or early forties, who now want out of the service but are being kept in it involuntarily. Special encouragement should be given to them so they can get out of the service and get themselves established before they reach an age where they become practically unemployable.

Yesterday the minister was answering my question about the Veterans Land Act. As I understand this act, it provides that a soldier coming within two years of the end of his normal service can make application under it and build his house. It would be a very wise provision if this were extended to cover all the people who will be voluntarily and involuntarily discharged due to the reduction in the armed forces. It would give many people some incentive to get out of service, and would probably lower the cost of the reduction of the services.

I also think—and perhaps this may have been covered by the minister yesterday—that special preferences should be given to the men who are being discharged and who wish to enter the civil service. I commend to the minister and his officials a study of some of the plans that have been used in other countries where this problem has been met. I believe they would find there are improvements which still could be made in what we are proposing to do in reducing the services.

Last year I was a member of the special committee on defence, and I welcome the reconstitution of that committee. However, I hope there is no significance in the very late start that is being made this year. It would be a great disappointment to me if I found that the committee, instead of being a committee of investigation as it was last year, is now to become a committee of justification, as I believe the Suttie committee may become. The white paper on defence was promised to us a long time ago, and at that time I made the forecast that the flowers would be blooming in the spring before we would be dealing with it. My prophecy has been borne out. I played some part in preparing the special defence committee report, and my part was chiefly directed toward making the language more understandable and removing a lot of the redundancies. If someone on the minister's staff had performed the same function with the white paper it would have been a much better white paper. I believe it was too long, confusing and contradictory, and made too much use of cliches which obscure the true meaning. In fact I venture to suggest that those who have been loudest in its praise and loudest in its condemnation have not read the document very carefully, if at all.

Many people are very confused concerning the objectives to which it may lead and, as some writers have suggested, I believe these people are only left with hope because the document itself is pretty much lacking in positive assurances as to what is going to

happen. The first 12 pages or so are substantially a recitation of history. The twelfth page starts dealing with NATO. Of course it is a self evident truth that in a country the size of Canada our defences have to be in alliances with other countries. But in the present state of affairs we wonder whether a very serious look should not be taken at, and a reappraisal made of, our role in NATO, not only in relation to its military aspects but also in relation to its other aspects, because in NATO today we find some very disturbing things.

The focus of NATO activities and worries has moved from Berlin to the Mediterranean, and we have the unhappy situation in Cyprus where two NATO partners are contending with each other with a third, the United Kingdom, intervening between them. We have the dispute between Israel and the Arab states, and while this does not directly affect NATO countries it certainly involves the United States and will involve Britain. We also have the unhappy situation in Yemen which again involves the very structure of NATO.

Having regard to the rapidly shifting positions of the various NATO countries one wonders whether we are maintaining a sufficient independence of movement and freedom of action within our forces. The end of page 12 of the white paper indicates that the government has adopted as Canadian policy the doctrine of graduated or flexible response. This is a very dubious doctrine. It is not accepted by the French. It is accepted with much reservation by some of the other NATO countries. From my experience on the defence committee I understand its chief proponents are some Americans and the Germans.

What is the doctrine of flexible response? To me it means that any attack by conventional, non-nuclear forces would be met by conventional, non-nuclear forces; that an attack by battlefield nuclear weapons would be met by similar battlefield nuclear weapons of slightly greater power, and so on. This doctrine causes doubt in a person's mind, because if you have a bigger weapon surely the attractions of the strength of that weapon are going to be irresistible and you are going to use it. It seems the doctrine is likely to accelerate very quickly into an all-out nuclear war and, to make such a doctrine workable, it means the early release of the control of nuclear weapons to battlefield commanders. If a crisis is hotting up and nuclear weapons are likely to be used, very quickly somebody is going to be authorized to use them, and this authorization would stretch down the chain of command, thus disseminating the control.

There are various propositions propounded as to how these weapons are to be controlled, theoretically and mechanically, but I am afraid none of them are very convincing. It is frightening to think of a comparatively low ranking military commander having complete control of a nuclear weapon, however small, and in my opinion it only increases the chance of mistake, error or use in panic.

One of the great promises of the Liberal party in the 1963 election campaign was that Canada would immediately enter into negotiations to get away from using nuclear arms. To my mind the last paragraph on page 12 of the white paper obviously abandons this claim, because there it is stated that an adequate force through a wide spectrum is essential to the deterrence of war, and that we have to have the maximum flexibility and the widest possible deployment. If we are going to have the widest possible spectrum of forces, that can only mean that we are going to have nuclear weapons and are going to keep them.

On the following page of the white paper there is reference to the nuclear club, which is defined as being composed of those countries having the means to manufacture nuclear weapons. The nuclear club goes much further than that now, because if the theory of flexible response is accepted in all its aspects it obviously means that the physical control of nuclear weapons is going to be disseminated more widely, and people who do not have the means to manufacture them are going to have control over them in certain circumstances. This is a frightening possibility.

What should be our role in NATO? I hesitate to say because of the rapidly changing circumstances but there are certain things that I think are going to be forced on us. I think the first principle we should be governed by is that the forces we contribute to any alliance should as nearly as possible be self contained and completely self sufficient so that we can maintain in Canada or through the Canadian government the widest possible choice as to their use. Having regard to the uses to which Canadian forces have been put since the end of world war II and which one can contemplate, I think that as far as possible they should be non-nuclear forces.

Too often, both within and without the forces, there are those who argue the nuclear problem from an emotional attitude. They advocate nuclear weapons because they are perhaps subconsciously affected by the emotional motive. I have seen this in newspaper editorials; our boys should have the best; our boys should not have to fight machine guns with peashooters. These people do not realize that in many circumstances nuclear

weapons are not the best and in some circumstances can be a positive hindrance in the operation of our forces. The best example of that which comes to mind is the equipping of our brigade in Europe with Honest John nuclear rockets. We have seen demonstrations and have heard discussions concerning these weapons, and it is my opinion that instead of helping our brigade in Europe they limit its utility and effectiveness.

With regard to our forces in NATO, I think the main reasons for stationing any of our troops in Europe on a more or less permanent or semi-permanent basis are political rather than military, and in my opinion the political reasons are three. The first is the effect on the morale of our European allies by the continued stationing of Canadian and United States troops in Europe. As an aside, I also think they have a considerable economic effect in the areas in Europe where they are stationed. They constitute a rather good industry.

The second reason is the necessity of assuring the West Germans that their eastern borders will be kept intact. The third reason, perhaps one that is not much discussed but which may be more important than some of the others, is the stabilizing effect on the domestic political situation within West Germany by the stationing of British, Canadian and United States forces in that country.

So far as the defence of Canada is concerned, the white paper restates some obvious facts; namely, that our over-all defence must inevitably be linked with the United States and that NORAD, of course, is the basis of this link. I think too it is not only the politicians in the heat of election campaigns but also at times other experts who have made statements concerning the kind, size and utility of various weapons which have not been and cannot be borne out subsequently by events.

The main contribution to our defence is the radar system that extends throughout the north. I venture to suggest that the northern approaches to the United States are much better protected by the radar screens and warning system than some of the southern approaches are or might have been. As long as there is some chance of a bomber attack you will get various opinions from people. Those in the field of flying, such as the air force fighter plane pilots, tend to put the chance of a bomber attack rather high while others tend to set it much lower. It is hard to gauge the situation accurately, but as long as that threat continues I think we will have to have weapons of the class of the Bomarc and the Voodoo. It is regrettable for many reasons that the Voodoo squadron should be withdrawn from North Bay. Perhaps the Voodoos are more useful in the defence of Canada and to world peace than the Starfighters we have in Europe.

There is one statement in the white paper which is absolutely mystifying to me. On page 14 there is reference to anti-I.C.B.M. defence, commonly known as Nike, I believe, and the statement is made that we cannot do anything about passive air defence and fall-out protection until we find out whether we are going to get an anti-I.C.B.M. weapon. It would seem to me that until we do get an effective anti-I.C.B.M. weapon great stress should be put on passive defence and fall-out protection, because if a major war were to break out when we were still not effectively defended by anti-I.C.B.M. weapons it might very well be the task of Canada to try to survive. As we would be on the periphery of the heavy attacks it might be Canada's duty to continue the thread of western civilization. I do not agree with those who say that if war breaks out the outlook will be hopeless and we should throw up our hands. As long as there are two civilized western people alive, provided they are of the appropriate sexes, I think it is our duty to try to survive, to maintain what we have and to rebuild. For that reason I think that as long as we are undefended from I.C.B.M.'s we should put greater emphasis on passive defence and survival. I hope that factor of our national defence is being taken into consideration by the Suttie committee which is now sitting, since our passive defence is largely dependant upon the militia.

The next point is again a recitation of history. The second duty of our defence forces is to occupy our land masses and the sea lane approaches to them. It is a matter of regret to me that we are reducing the physical presence of our troops in northern Canada. I feel the northern bases should be maintained by the military. There was no real saving in this change. I feel that the cost of maintaining these bases under the Department of Transport will be greater than the cost of maintaining them under the Department of National Defence. This was purely a bookkeeping entry to make the Department of National Defence look good, and I think we have lost something of our prestige.

The white paper is largely silent on the matter of patrolling our vast seacoasts and the protection of the sea lanes into Canada. I would have liked to hear something about air-sea co-operation. I would have liked to hear something about whether we would build a simplified cruiser or patrol vessel which would work in conjunction with air cover from our very fine patrol planes.

Since we are on the subject of national defence generally I should like to mention the Bobcat that was scrapped several months ago. I hope when the minister replies he will tell us how the deliveries of the M-113's are coming along; when they are going to be delivered, and how satisfactory they are. When I was last advised on the subject I understood that the Starfighter was completely unarmed and as useless as a Piper Cub for what it was doing. In fact it was more useless, because that plane was being used for training and it is a difficult plane in which to train men. I hope the minister will be able to tell us these planes have been armed and are fully operational. I hope they will not be left sitting useless on the airstrips of Europe for another six or nine months.

While dealing with the Starfighter I should like to bring up the matter of cliches and misleading phrases. This is a very good example of it. The Starfighter, I believe, is described in terms of the trade as a strike-reconnaissance plane. Now, if one looks at the Starfighter one realizes it is a low level offensive bomber. If the Department of National Defence and the people associated with it started calling a spade a spade and giving rather more accurate descriptions, even though they may be unpalatable to people who hear them, it would give us a better understanding of national defence.

The other point upon which we are waiting to hear from the minister relates to what sort of forward transport is going to be provided for our mobile brigade. What sort of forward transport is going to be provided for our brigade in Europe? Are we going to get helicopters? What type of close support plane is going to be provided for an operation such as the one in Cyprus? These are things we need to know.

Of course the white paper is largely silent on the navy. I would not want to disagree with my hon. friend from Calgary North, but there is one type of transport ship we need in small quantities. These could become the joint responsibility of the Department of National Defence and the Department of Transport and could form the nucleus of a deep sea fleet. Britain and the United States are both adopting this scheme. They are building a very fast freighter which has a limited capacity for carrying a certain number of troops. In normal times it can be used as a cargo vessel and have special devices built into it, such as a hard nose for going into difficult places. Its loading and unloading equipment is self sufficient and can be used without modern docks. I think between the Department of Transport and the Department of National Defence there ought to be an investigation of this type of vessel, because it would make a modest start on a deep sea fleet. It would also provide a training base for sailors on the ocean rather than on the great lakes.

I think I have made my objections to the Suttie committee rather clear. The minister indicated yesterday that it was economics that dictated these cuts in the militia. I hope this committee will not be a committee of justification but is undertaking a real study of the problem.

I come now to a consideration of the bill itself which is the subject matter of this debate and which relates to a reorganization of the cabinet defence committee. I believe we should have a more complete explanation from the minister as to what is going to be the role of the cabinet defence committee. What is going to be the role of the defence council? How is it going to be made up? What authority is it going to have? Yesterday the minister said something that indicated it would only provide an interchange of views. Who are going to be on the defence staffs, and how are they going to be designated? It is true that some of these details cannot be given now, but I am wondering whether we are proceeding in an orderly fashion or if we have started on this reorganization to make a showing without any clear idea of what is going to come next.

I was pleased to hear that there is going to be a program analysis department. This is a completely American idea. Mr. McNamara has it and it is headed by Mr. Enthoven, who is a very distinguished mathematician. In the United States these people are called the "whiz kids", and I am wondering if their Canadian counterparts might be called "Hellyer's hellcats".

Another matter on which I should like to touch briefly is the position of the Associate Minister of National Defence. I have found the associate minister knowledgeable, competent and courteous. I do not want him to think I am trying to get him out of the job. I do not believe I would succeed in any event, because a couple of Sundays ago I was watching television and I saw the minister being interviewed by the Liberal party's favourite part time commentator, Mr. Fisher. At that time the minister indicated that he was about ready to move out of the Department of National Defence and clean up the mess in finance.

Mr. Hellyer: That is not a fair interpretation.

Mr. Smith: The position of associate minister has been nebulous and irregular. There is provision for three associate ministers to be appointed for six months at a time, in times of extreme emergency.

Then, in 1953, there was some change. It was at the time of the Korean war and the government of the day brought in an amendment to the defence act to provide for an associate minister. I believe Mr. Campney had been associate minister under the old regulation and that he was then appointed under the new. Mr. St. Laurent said at that time, as recorded at page 1524 of *Hansard*, that the need was for an associate minister at a time of emergency, which was something less than a national emergency; he did not say, fortunately, a military emergency. After Mr. Claxton left the department I do not think any associate minister was appointed until the middle of 1957, and I think the emergency which occurred at that time was political rather than military. After the election of 1957 the office again fell into disuse and I do not think there was any appointment until late 1958 or early 1959. All this leads me to the conclusion that the abilities of the associate minister would better be employed in the discharge of another portfolio, and that it would lead to the more orderly disposition of business if we had only one Minister of National Defence.

As I have said, and as other speakers before me have said, I hope the defence committee will be given adequate time in which to study this bill and related defence matters. The steps now being contemplated are likely to have an effect for a long time. They will have wide economic repercussions in this country and their impact on the military structure cannot yet be estimated. I see in the newspapers today that some NATO countries are disturbed about the course which national defence may take, consequent upon this white paper. I hope the delay in setting up this committee does not mean we are expected to be a rubber stamp or that we will not be given sufficient opportunity to discuss the subject of defence in all its aspects.

Mr. Terry Nugent (Edmonton-Strathcona): I will try to be fairly brief in talking about defence matters but I do wish to put a few of my views on the record, since I have not had an opportunity to do so for some time.

I am sure we are all agreed in this house that the only real defence of this country and, in this day and age, of any country, is the maintenance of peace. If we follow that line of thought logically, I think it is apparent that the greatest chance of maintaining peace, the greatest force we now have available for that purpose, is the United Nations. We shall therefore be protecting ourselves in the best possible way if we bend all our efforts toward building up the power and prestige of the United Nations. I suggest this is more than just the job of the Department of External Affairs. I believe the peace keeping role of the United Nations could be greatly expanded. The possibility of a permanent force under the control of that body contains the hope that it could some day become the only really powerful force in the world.

I suggest that the role which Canadian defence policy could best fulfil would be to make sure that our forces are so constituted that they could be most readily of use to the United Nations—that they should be so flexible and so unitized that they could be made available to that world body on an ever stronger basis as time goes on. If there were a feeling that we were proceeding along those lines there would be an atmosphere of confidence in the country. We should not take years and years to get to this stage. There is no doubt that any major conflict which might develop at this time could result in the annihilation of everyone on earth or, at least, in the complete destruction of civilization, and it is all too frighteningly possible that this could happen now. For this reason I suggest that our first line of defence is to do as speedily as we can all those things which would help build up the United Nations and bring nearer the possibility of an effective peace keeping force.

I get no feeling of security when I look at what is supposed to be the present defence policy, and even less when I regard those people in whose hands our defence policy now resides. I remember only last year the Prime Minister (Mr. Pearson), talking about the acquisition of nuclear arms, making it clear in his speeches that he thought this was a real mistake. In fact, on June 7 he made it very clear that in his view taking nuclear arms was a mistake. Yet we have got them. He admitted on June 7 that we could not get them without entering into another agreement, and there was still time to get out of signing another agreement. But hon. gentlemen opposite went ahead and made another agreement to acquire nuclear arms; in other words, they carried out a policy about which they were unhappy—a mistaken policy which they really wished to avoid. Certainly, this is no reason for placing confidence in the government.

I sometimes find a little incredible the lengths to which government spokesmen will go in an effort to persuade the people of Canada that the only reason for pursuing such a stupid defence policy is that they were committed to it. The Minister of National Defence (Mr. Hellyer), speaking at Christmastime on television, made a statement which, to me, sounded incredible, in an attempt to give some reason why we should have Bomarcs. This was when he said the

principal threat still comes from manned bombers. I thought all responsible people had reached the conclusion at least three or four years ago that the manned bomber was no longer the principal threat. All of us who were in the armed forces during the last war and who were stationed overseas can remember the V-2 rockets. We had never heard of a sputnik, but suddenly V-2 rockets aimed from a considerable distance were reaching their targets with fair accuracy. That was 20 years ago, and it is 18 years since the first atomic bomb was dropped. The combination of the two has been a preoccupation of the military planners ever since and has led to the investment of billions of dollars in scientific research and development in the intervening period.

The position, then, is that 20 years of intensive research have been spent on the development of that original V-2 rocket. Rockets have been built powerful enough to send vehicles into space and circle the moon. We now have sufficiently advanced technology to station satellites out in space and keep them there. The power of modern rockets is almost unlimited. In addition, starting a number of years ago, there have been many demonstrations of their accuracy. As to the possibilities of destruction, we have some knowledge of the size and capability of nuclear explosions. We have learned of the H-bomb, the cobalt bomb and so on which make the bombs of Hiroshima seem like toys. Yet, in the face of all this evidence, in the face of a technical capacity and power of destruction never known before, the minister appears on a national television hook-up and tells us that the manned bomber is still the principal threat. It sounds idiotic and it certainly does not give anyone in this country any confidence that the government knows what it is doing.

Mr. Hellyer: It is the truth, but you would not believe it.

Mr. Nugent: I may say it is not the first time I have heard the minister of defence make statements which were not particularly accurate. When he was in opposition he was so talkative that I am sure he covered all the ground on both sides to such an extent that today he can turn round and say he has said everything on both sides of all questions. So that he can tell us, whenever he is wrong, that he has also made a statement that is right. I imagine it is a state of mind that the Prime Minister (Mr. Pearson) is in as well. I cannot for the life of me understand why this government still persists in its policy of nuclear arms. I cannot understand why the government has not been taking some fast action to get out of the policy which the Prime Minister admits is stupid. This is incredible. I cannot understand why we have aeroplanes sitting over in Europe when I think it is by now obvious to most people that a nuclear role for the 104's is probably unsuitable. It certainly would be much more advantageous for Canada to have those aeroplanes in a dual capacity role, a conventional weapons role, whereby they would be able to take advantage of French airfields and whereby the air force itself would be useful to the United Nations if called upon by the United Nations. I think it would be much more useful if we could make that sort of progress toward building up the kind of United Nations force that we want. I cannot see that the Honest Johns equipped with nuclear weapons are doing us any good. It is obvious from the studies of the defence committee that they are not helpful to that brigade and that they should go to another unit.

I think Canadians have had to take a loss of sovereignty in order to acquire nuclear weapons, and they have not added to our defence but rather have only complicated it. With the threat always being there that a spark could set things off, I cannot emphasize too much the fact that our greatest defence is to accelerate the speed with which we can ready our armed forces, make them flexible and useful to the United Nations; to accelerate our efforts to gain for the United Nations ever greater support and power so that it will become a real peace keeping unit. I think the more we press along this line, the more vigorously are we actually engaging in the defence of Canadians.

I would hope that some time in the not too distant future the Prime Minister will make the announcement in this house that he has finally decided to keep his election promises and get Canada out of the nuclear weapons field; get nuclear weapons off Canadian soil, so we will regain our sovereignty. His statements at the United Nations with regard to a permanent peace keeping force seem to be bending in the right direction and it sounds as though he is interested in it. If this announcement is made, perhaps the people of Canada will then get the feeling that this government is interested in the defence of this country rather than in the political show they can make by dramatic announcements of the money they save. While speaking of the money being saved, Mr. Speaker, I must say I am sure most people in this country are very happy to think we can save something on defence. They would be quite happy to see defence spending cut very drastically, and I think it could be cut very drastically if we had some careful planning and a policy that precluded nuclear arms;

a policy that envisaged Canada's best role as that of conventional forces available to the United Nations.

Mr. Speaker, I wanted to refer to just a couple of things brought out in the defence committee report of last year, because last June 7 the Prime Minister gave as one of the reasons for our taking nuclear arms the fact that we spent a billion dollars on this equipment. I think this idea has been spread around the country and the Liberals have tried to sell the idea that unless we take nuclear arms, all that money is wasted. I just wanted to point out that the evidence given before the defence committee which studied this subject—and I think the government made available to them the best information there was—does not sustain that argument in any manner. The Bomarc is more useful, they said, with a nuclear warhead, if bombers are the threat; and I say they are not. The Voodoo is more effective with a nuclear warhead, they said, but that is as far as it really goes. Its usefulness has not been demonstrated. The F-104, with some modifications, can have other than a nuclear role. So there is no justification, no honesty, to the argument that all this equipment would be wasted. I think, in fact, that we must consider the complications that arise out of our attempting to get into a nuclear role and our unsuitability for this. We must also consider the fact that many small and neutral nations in the world would have much more confidence in Canada if we were out of the nuclear field and we would be making more friends, and this is always a good line of defence.

I trust that we may in the very near future, Mr. Speaker, have our Prime Minister come into the house and confess that the government has abandoned its nuclear policy, that they are getting out of it, so they will be able to give us some honest statements on defence policy instead of political statements.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, the discussion of Bill No. C-90 to amend the National Defence Act gives us an opportunity to express some ideas and discuss some principles which, I think, are directly related to the general philosophy on which our governments have always based their justification, or rather, their attempts at justifying their various defence policies.

Having returned from a week end trip where, with a group of other hon. members, we visited several military establishments, it was very difficult for us not to think of the enormous amounts that have been spent on defence. I honestly wonder whether we have not started on a wild race toward death and destruction of our civilizations.

In 1961, as well as in 1962, the defence budget in Canada was over $1.5 billion a year. And this is only for two years. If we calculate the interest at 6 per cent, which we had to pay for defence alone, it means $180 million. That is to say, in the last ten years we paid more than $1 billion in interest alone, without considering the large spending for war purposes.

I shall linger a few minutes on this point. We are in favour of passive defence. We also favour a good defence organization. We agree on acquiring all the latest instruments which exist or may yet be conceived.

But we also know that expenses for war purposes are not active capital. They produce no dividend.

We also know that our people must make enormous sacrifices for our defence to be maintained. If the general public has to make such huge sacrifices, I wonder why those who are in control of credit should not make the same sacrifices, which are imposed on the people, because all capital required for defence comes out of the taxpayer's pocket and is borrowed from high finance at interest rates which, I think, vary from 5 to 6 per cent.

Now, it is impossible for a country like Canada, with a population of about 19 million people, to keep up such expenses when these amounts can no longer be found in the taxpayers' pockets nor to be obtained by borrowing at exorbitant interest rates.

War has always existed among men. It was brought about in the course of history under all possible and imaginable excuses: conquest, right, might, honour, for God, for freedom, for civilization. There are, apparently, just and unjust wars.

Finally, in the living world, there is a universal order of which the great rule is the law of preservation of the individual. Up to now, war has only partially violated that rule, maybe not at all since the human species has managed to survive, but when the very existence of the species is jeopardized, when extermination is hanging over the species, war is violating the law of preservation of the universe.

Universe, man and the human species, have the same finality. This basic unit must be preserved and we must avoid a new war which would bring about disruption.

The conflict between capitalism and communism must be overcome and transposed to a superior plane. Inhuman to each other, both civilizations are surely not inhuman to the same degree or in the same way, but it is not

true that one represents good and the other evil. It is not true that we must necessarily choose one against the other. Any propaganda on that basis already means war. It is a mobilization of mind and spirit which leads to plain mobilization.

Capitalism may despise man but the fact remains that, in western countries, man has the freedom to protest against such contempt. No doubt this freedom is relative, but man's conscience can nevertheless make itself heard.

Even if he is penniless, a man can speak, write, express his thoughts and his rebellion, unite with other men, denounce a system and fight against it.

Freedom, up to now, has been powerless, but it may not always be so. In any event, it remains the best weapon in the hands of men.

Despised, man in the western world can voice his complaint. Despised, man in the U.S.S.R. cannot even do that, because his masters have muzzled him. But woe unto the satellite nation that would even attempt to throw off the yoke.

If we are compelled to make a choice between two civilizations, we must choose capitalism, but only as a lesser evil and for only one reason: man in the western world has a little more freedom. We still have freedom of speech, but we are under the yoke of a financial dictatorship which delays progress and prevents economic, scientific, cultural and natural development, since it even prevents human beings from being born and undermines the vital foundations of the economy.

Because of its monstrosities, the one way capitalist system has made a great number of victims. The financial dictatorship spreads more ruins and hate and it has made more victims than the most devastating war.

The conscientious objector who refuses to go to war, not because he does not want to defend his country, but simply because he will not kill, is logical when he does not admit the present system, because that system kills and treats men like animals.

That conscientious objector is infinitely more human than the herds that accept to be led to the slaughter-house. What could the masters of the world do in the face of a general conscientious objection? A first step can and must be made in that direction. Let the non-atomic nations unite to notify the others of their intention to refuse the massacre, and before that tremendous force of three billion men, unarmed but determined, and they shall not dare.

Mankind is more and more conscious of the unity of its destiny. It is not possible it should accept to be driven to suicide. Therefore, all men must unite to prevent it. Since we are condemned to live in peace, we must seek as a solution to organize peace. Now, the only way to organize peace is to replace material values by moral values, to submit all men and all nations to a basic law of respect for each and everyone.

Any analysis, an analysis of the universe, of man and of the modern world, lead to the same conclusion: to live and to survive, mankind must give onto itself that law as soon as possible. That moral law, which Social Crediters have sworn to defend, is in fact the law of respect for life and conservation of man and mankind.

It is unthinkable that the law of mankind, stated or not, written or not, is a law of destruction of man, of the species. Man will have to accept a law of conservation and respect. It will be neither superstition, nor compulsion, nor slavery; in the last report, it will be the condition of his true liberty, so dear to the human being. The building of the new world will require time, courage and perseverance, but it will be a reality only when all the protectors of society will take their true responsibilities, and will not let the life of our women, men and children be shortened in this way.

And what about the moral results? The hardships imposed on our families by unpayable debts and by the excesses of a financing system and unpayable interests that take away the normal purchasing power of families; abundance calls aloud for vengeance as Abel's blood called out against Cain, and those murders are committed at home, in this Canada of ours, in our provinces, and it does not seem to disturb the sleep of the keepers of society.

On the doors of those offices where killing orders are issued, the commandment that is violated the year round: Thou shall not kill, should be engraved. And on the doors of ministers and members of parliament who legislate for the country: Thou shall not let kill.

So, the murderer is the money system. Those who support and defend it, support and protect a murdering system, those who make it legal, make legal a murdering system, if governments make legal and support the money system which deprives human beings of the necessities of life, those governments are party to a suicidal system.

Financial dictatorship assassinates our men, our women, our children, and puts our governments into slavery. During the war, there were tears and blood, because error took the place of truth. It is the lack of charity which kills people, which leads men, brothers by nature, to fight one another, and not only on the battlefields.

Thanks to technological progress, we should live in a garden of Eden; God has showered its blessings and gifts on earth and yet how many people do not have enough to live.

When science and finance work hand in hand, what can stop man? How many things can man do when financial obstacles are removed. Financial nonsense is brushed aside for war, but it is restored afterwards, and once again economic chaos prevails.

By way of solution, I would suggest to the government that there is only one thing to do, which is its bounden duty to do; to correct and revive our economy, the credit of the nation should be made available, and then we will be assured of a market for our products.

What we are now doing to create instruments of destruction might tomorrow serve to create a greatness such as the world has never known, provided we have the intelligence and ethics to recognize that there is enough for everybody in this new world.

Mr. Speaker, before ending my remarks, may I say that we are not opposed to the bill amending the National Defence Act, nor to the opportunity of voicing some ideas and discussing certain principles which, to my mind, are directly connected with the general philosophy on which our governments always based their justification, or, rather their attempts at justifying their various defence policies in the house.

Moreover, though we do not always tacitly accept the priority given to defence problems, we are ready to face those problems and to discuss them, so that possible decisions might better express the feeling of the Canadian people which we all represent here, in this house.

Yet, Mr. Speaker, I cannot but voice some anxiety with regard to the results of this bill, if it is passed. For my part, I met several veterans who expressed worries similar to mine in this respect.

Each one of us here recognizes the greatness, the value of the Canadian forces. Indeed, our soldiers have always been a credit to their country, on the beaches of Normandy as well as in the Loire valley, in the swamps of Korea or in windy Sweden. Our armed forces have never failed to do their job, and every Canadian worthy of the name can be proud of that.

The value of Canadians has been the object of many testimonials. Our soldiers have fought to safeguard freedom and democracy, which are part of the great values on which is based our way of life.

It should never be forgotten that there is no one without a beloved friend or relative buried in Europe. And those who did come back deserve a great deal of consideration. That is why I am particularly afraid that the changes brought about by the passing of the bill now before us will unjustly affect, in certain cases, the members of our armed forces.

With the modern equipment and the new tactics, it must truly be difficult for many of our soldiers to adjust themselves to the new military life. It is the duty of national defence officials to provide programs likely to enable our soldiers, if not to adapt themselves to new procedures, at least to adjust easily to civilian life and to the ever-changing conditions on the labour market in our country.

Mr. Speaker, there is a last point I should like to emphasize. I ask the Minister of National Defence to look closely into it, in order to take the necessary measures. I refer to the exodus of many of our young people, who after an intensive training as technicians or for some other trade in our armed forces, after the country incurred considerable expenses to enable them to have a career and learn a trade, emigrate to the United States to accept civilian jobs which are better paid than in Canada.

Mr. Speaker, I ask the minister to render justice to our veterans and to take the necessary arrangements so that every Canadian who has been a member of the armed forces, where he spent part of his life, who has ruined his health to defend Canada, be treated properly, because he certainly deserves all the advantages to which he is entitled. In fact, there should be no shabbiness when our gallant soldiers who defended us so well are concerned.

[*Text*]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, the remarks I will make will be very brief because I see no reason for repetition and many of the points I wish to stress have already been emphasized by previous speakers. Though I say I will be brief in order to avoid repetition, I also wish to point out that it is not because I concern myself with the fact that the Minister of Transport (Mr. Pickersgill) refers to anything over three minutes as a filibuster.

Quite often members have been inclined to say that because a debate may be prolonged in this house it is obstruction. This was the accusation made by one of the backbenchers on the government side just a week ago. However, I would like once again to stress the words of the Prime Minister who, on April 19, on a national television broadcast referred to the fact that so far as he was concerned the house had not done badly

in terms of work in the preceding 44 days leading up to that time. I firmly believe the house has been progressing somewhat better since then.

The white paper brought down by the minister has come in for a lot of comment. I notice he has been quite busy with the pencil when someone puts what he considers an important question. I only hope he will come up with some important answers because, as was stated by previous speakers, the white paper does not give information to the satisfaction of the house, but poses many questions that need answering. As previous speakers have said, what it contains has been pointed out on any number of occasions in the last few years. I am somewhat concerned about the attitude of the government and I have one very pointed question I wish to put to the minister, a question to which I think the house deserves an answer. I hope he will consider it important enough to take out his pencil and make a note of it. Where is the minister getting his advice? From whom is he getting it?

Very thorough briefs were presented by the three services to the special committee. The minister attended the committee meetings on a number of occasions and no doubt he has studied these briefs. But there were many questions left unanswered. I think particularly of the thoroughness of the brief presented by Admiral Rayner of the navy and the concern of the navy with regard to its future role in the defence of this country. Yet only about half a page is devoted by the minister to the navy in the white paper.

The minister has tried to leave the impression, which has caught on in most places, that tremendous savings have been achieved. In fact, on the same telecast of April 19 to which I referred the Prime Minister implied that if anybody studied the white paper he would see the economies that had been brought about. I should like to refer for a moment to what the white paper actually does say. If the Prime Minister or anybody on the government side of the house can show me where Canadian taxpayers are going to be saved any money by this move then I should like to know where it is. The white paper states:

> The total savings to be effected as a result of such reductions will make available funds for capital equipment purchases, and eventually make possible more equitable distribution of the defence dollar between equipment and housekeeping costs. Sufficient savings should accrue from unification to permit a goal of 25 per cent of the budget to be devoted to capital equipment being realized in the years ahead.

As previous speakers have indicated, this is a matter of taking money out of one pocket and putting it in another, and there is no merit in the statement of the Prime Minister on the television broadcast of April 19 that integration is going to bring about economy. There has been much said about integration and since answers have not been forthcoming I assume that the minister looks upon integration as simply a matter of putting everybody in the same uniform. Up to now this is about the only clearcut explanation we have had. Everybody will be wearing the same uniform. But there has been no explanation whatsoever as to the method by which integration is going to be brought about.

Speaking of integration, I would point out that the question of the necessity for two ministers with defence portfolios has been brought up. Previous speakers have indicated that they have no wish to see the Minister of National Defence (Mr. Hellyer) replaced by the Associate Minister of National Defence (Mr. Cardin) or vice-versa. However, I will be a little more specific and a little more blunt. I have heard it said by servicemen and by some Liberal backbenchers and others, and I firmly go along with it, that the background of the Associate Minister of National Defence qualifies him to take over as minister, that this would do away with the necessity of two portfolios in the defence department and that integration should start at that level. When the question of unification and integration was brought before the committee—Mr. Speaker, I would respectfully ask you to remind the Minister of Veterans Affairs (Mr. Teillet) that you have recognized me and that I have the floor. If he has something to say on the subject of national defence I am sure everybody on this side of the house would appreciate hearing him speak when his turn comes. In the meantime, since I have been recognized, I ask the hon. member to abide by the procedure followed in the house and to rise and make his remarks when the time allotted to me has expired.

Once again I emphasize that it has been said in certain quarters that the background of the Associate Minister of National Defence qualifies him far better for the position of minister than the hasty boy who now holds that office. When I say "hasty" I am not reflecting in any way on his ability to drive a motorcycle, but I do point out that the minister has been very hasty on other occasions. When he was in opposition he saw fit to rush things. He rushed them to the point where we could read his views in the newspapers before he had actually uttered them.

He seems to be following the same trend in the integration of the forces. His policy is rush, rush, rush, with no plans and no answers for the questions that will develop

in such an undertaking. Integration has taken place in the upper echelons of the government. We only have to look at the Department of Agriculture to see it is being done. We also see it is not working out very well there, so possibly the minister should take a second look at what is going on there and then make a thorough study of integration and unification of the services before he rushes headlong into this matter.

The minister who today professes to be saving Canadian taxpayers $100 million is the same gentleman who only a few short years ago wanted millions of dollars spent on the Avro Arrow for the sake of establishing a Canadian air speed record. Of course, when he spoke in those days he spoke, as the original natives of the country used to say, with a forked tongue. Why do I say that? I entered into no obligation not to bring up this matter and the minister will recall the occasion. This same minister is fully aware of the fact that the government of which he was a member decided that the Avro Arrow was to be cancelled. This was a decision taken by the St. Laurent government of which he was a member, and this evidence was brought out by General Charles Foulkes.

Mr. Hellyer: On a question of privilege, Mr. Speaker, that allegation is not true. It is without any foundation whatsoever. I deny it categorically. The subject was never considered by the government before the election of 1957.

Mr. MacInnis: Mr. Speaker, the rules provide that I have to accept the minister's word. But this only proves something else. When the general was testifying before the defence committee and made that statement the minister failed to tell him at that time that it was a lie. It is all right to get up in the house on a question of privilege and say this is not so and that it never took place. Why did the minister not get up and tell General Foulkes, who I understand was once reaching for a Liberal nomination, that his statement that the government of Mr. St. Laurent had decided to cancel the Avro Arrow but to postpone it because of the election was not true? Why did the minister not deny it at that time? Instead he gets up in the House of Commons on a question of privilege and denies what I have said, but he did not take the opportunity to deny it when the general was before the committee. He also never took the opportunity to deny the press reports of the general's statement, but he rises here on a question of privilege and says it is not so. I said before, Mr. Speaker, that the rules dictate I have to accept his word but I do so only because of the rules.

I have referred to the haste of the minister in announcing his integration policy. I have referred to the submissions made by the representatives of the three services when they were before the defence committee. I point out to the minister that when the representatives of the services were questioned on the matter of integration, they were all of one opinion. It is recognized by all hon. members that one of the touchiest operations the government has in the defence department is to satisfy the demands made by the three services. This was quite clearly brought out in the committee. It was felt by all members of the upper echelon who appeared before the defence committee that possibly the unification of the services would stop this competition that goes on amongst the three services. They said, and at the time I believe everyone agreed or at least there was no denial of it, that this would be the effect.

However, what does the white paper say on this matter of eliminating competition amongst the services? I believe the word "jealousy" was used at that time. I refer to page 19 of the white paper, the third paragraph, where I read:

> The sailors will press for more ships, the soldiers for more tanks and the airmen for more planes. This is as natural as breathing. Competition will not be lost but it will be contained at the service level.

The fact remains that the understanding we received was that unification of the services would eliminate competition. In the white paper the minister now claims that competition will be contained at the service level. Nevertheless, the sailors will press for more ships, the airmen for more planes and the soldiers for more tanks. The understanding given to us was that the reason the services would go along with partial integration was that it would eliminate this competition. This causes us to ask once again, where is the minister getting his advice? Who is advising him? I am quite sure from what has been said previously that the service chiefs have not had their way. Here again we get back to the basic fact that competition has been contained possibly at the service level.

I should like to say one more word on the matter of the approach of the Minister of National Defence (Mr. Hellyer). As was stated by the previous speaker for this party, reference has been made to the nuclear role Canada has played and the reason this government undertook it. Reference was made also to the fact the Prime Minister (Mr. Pearson) considered it stupid; but the Minister of National Defence has taken so many different positions that no matter what is said in this argument he can say he said the same thing earlier. I would ask him to bear in mind that his own party has been breaking

promises. Although we had a newspaper advertisement here outlining the party's promises to a community, the Prime Minister denied them and the result has been that the community involved has just gone down the drain. The promise meant nothing.

The Liberals were going to renegotiate out of the nuclear role. I am not saying for one moment that the Canadian forces should not have the latest and best equipment available. I do say the Liberals led the people of Canada to believe they were going to honour the commitments made by the previous government, and then renegotiate out of the nuclear role. Here we have the Bomarc sites in Canada armed with nuclear warheads, and they were not armed with nuclear warheads two weeks before the United States cancelled two of the six bases. There were supposed to be 32 bases constructed, but six were built. The moment Canada armed herself with nuclear warheads, the United States announced that two of these bases would be cancelled. I do not care whether the minister says it is the Bomarc A or the Bomarc B, the fact is the United States considered they were good enough to put into operation; but the moment Canada armed herself with nuclear warheads the United States cancelled two of these bases. In other words, we are filling in for them.

I feel it is about time this government finally realized there are a few election promises that they should carry out. As I have said, the minister has raced headlong into many problems. We have seen examples of this before. If the minister wishes to deny a statement made by General Foulkes, I would invite him to do what the Minister of Transport (Mr. Pickersgill) did, that is impose himself on the C.B.C. and tell the nation that General Foulkes lied before the committee. In essence, this is what the minister is saying when he denies what General Foulkes said. He may as well go out and tell the nation that the man lied. I probably should go a little deeper into this question, but when I consider this is the Minister of National Defence who, on occasion, has asked us to forget what he has said about national defence, I ask the minister how he can expect this nation to reply upon anything he has to say.

Mr. Deputy Speaker: Order; it being five o'clock the house will now proceed to the consideration of private members' business, namely public bills and private bills.

PRIVATE BILLS

SECOND READING—SENATE BILLS

Bill No. S-12, respecting Allstate Insurance Company of Canada—Mr. Ryan.

EVANGELINE SAVINGS AND MORTGAGE COMPANY

Mr. J. E. Lloyd (for Mr. Regan) moved the second reading of Bill No. S-15, to incorporate Evangeline Savings and Mortgage Company.

He said: Mr. Speaker, this bill is for the incorporation of a loan company which, in all respects, will be governed by the Loan Companies Act. It has significance because the company is being organized by a group of Nova Scotians with the purpose of providing an opportunity for people in that province to participate more actively in this important field. It is expected also that the new company, because of its local ownership and knowledge of the province, will be able to engage locally in areas not presently covered by other companies. In particular, the need exists for more mortgage lending in the smaller centres of Nova Scotia and in the rural areas. It is the hope that this service can be extended by the proposed company.

The group of organizers of the company is headed by Mr. G. Gordon F. Hughes, a successful businessman in Windsor, Nova Scotia, and the other incorporators are well known in the province. It is not proper on moving second reading to enter upon any detailed discussion of the affairs of the proposed company but, of course this information will be available at the committee stage.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

BANK OF CANADA ACT

AMENDMENT RESPECTING ACCEPTANCE OF LOCAL CURRENCIES

Mr. Maurice Côté (Chicoutimi) moved the second reading of Bill No. C-24, to amend the Bank of Canada Act (reserve).

[*Translation*]

He said: Mr. Speaker, Bill No. C-24 I am introducing today is a bill to amend:

1. Subsection (2) of section 23 of the Bank of Canada Act is amended by deleting the word "and" at the end of paragraph (b) thereof, by adding the word "and" at the end of paragraph (c) and the following paragraph immediately after the said paragraph (c):

(d) The lawful currency of any other country whatsoever, whether or not the same is convertible into gold, provided that the total value of all such currencies held does not exceed five hundred million dollars. The quantity of any such currency or currencies that may be so held, and the valuation thereof, shall be subject to such regulations as the governor general in council shall from time to time prescribe.

Under section 23, the bank is permitted to hold certain categories of foreign exchange

as a reserve against its note and deposit liabilities. These are primarily U.S. dollars and pounds sterling, and other currencies convertible at a fixed price into gold. As a matter of fact, the amount held in that way by the Bank of Canada was $49,906,875 in pounds sterling, and United States dollars, and $252,030 in other currencies, that is a total of $50,158,905 in foreign currencies.

However, a developing world shortage of gold and convertible currencies particularly in the hands of nations which offer potential markets for Canadian exports, is proving a hindrance to Canada's overseas trade. This amendment would accordingly permit, within certain well defined limits, the Bank of Canada to accept non-convertible local currencies as part of its foreign exchange reserves. In this way, Canadian sales on foreign markets could be made for local currencies and the foreign currencies so acquired could be made available either for purchase of foreign products, or for investment in or aid to the countries concerned.

I have found justification for this bill precisely in the speech from the throne of the twenty sixth parliament, as shown on page 6 of *Hansard* for May 16, 1963, where I find the following statement:

> It is equally important to pursue active policies for the economic development of the newer nations, for the expansion of trade in primary commodities at reasonably stable prices, and for the improvement of international payments.

At the present time, our international payments balance is a constant nightmare for the Minister of Finance (Mr. Gordon) and at the same time it makes our foreign trade subject to constant restrictions.

Furthermore, in the speech from the throne published on February 18, 1964, I read on page 2 this sentence:

> My ministers will negotiate for the expansion of markets for Canadian exports through the liberalization of world trade.

So, we have there a means of liberalizing these exchanges.

How many countries in the world would like to do business with us on an equal footing? For what they want is not charity. One of the more serious problems in the world today is that production is wrongly divided, wrongly distributed, in an international circuit bristling with national selfishness, taxes, customs, in a tenacious and mercantile confusion between needs for consumer goods and capital goods, the whole linked by a debt-greedy monetary system.

In short, it is a blockade applied to international trade through the obligation of using only convertible currency.

At the present time, our unfavourable balance is partially corrected because the

government decided to trust communist countries and to sell them wheat amounting to hundreds of millions of dollars.

But we could also do a lot more business with a great number of other countries.

In fact, on July 2, 1963, the Minister of Finance stated, and I quote:

> Canada suffers of chronic deficits in its current account payments with other countries and that the only means of reducing such chronic deficits is to diversify our exchanges and to increase the number of our clients.

On the other hand, the Minister of Trade and Commerce (Mr. Sharp) stated on July 5, 1963, as recorded on page 1901 of *Hansard*:

> I am also aware of the great difficulties of doing business in those countries—

The discussion was about South America.

> —and about the importance therefore of having credit facilities to enable those countries to go on purchasing goods from abroad.

Already our country allows long term credit to several foreign countries because we trust them. Why not, then, trust their currency?

This is the core of the problem, and the proposed amendment will make possible an advantageous deblocking, since it will result in thousands of new positions in our Canadian businesses through an increase in our exports.

International trade in itself is only a barter of products. The part played by money is only incidental. After all, once the exchange has taken place, we find that what the countries exchanged were goods and services. The balance of payments expresses and summarizes this trading. Money is only a medium and its intervention tends to balance operations.

In order to attain the objective of Bill No. C-24 parity has to be established between the currencies of the various countries with which we conclude agreements. Parity does not mean the par of exchange as in foreign exchange dealings. Between two nations, there is parity of exchange, when the rates are similar on both markets, when, for instance, the French franc is bought with Canadian dollars at the same price as when Canadian dollars are bought with French francs. There is parity when the exchange rate on both markets is expressed by the same figures.

Mr. Speaker, I find the spirit of this legislation again in the Havana charter, which was signed by the representatives of 56 countries—with the exception of Russia—after discussions that lasted from November 21, 1947 to March 24, 1948, to develop international trade by ridding it as much as possible from all barriers paralysing the international exchange of goods.

On the other hand, the Quebec *Le Soleil*, of April 10, 1963, published the following:

Great Britain and the European countries begin to ask for a monetary reform in order to relieve the dollar from international pressures, to eliminate the dangers which threaten that currency, as well as the inadequacies of the present international payments system.

I know some large firms which are capable of exporting 80 per cent of their production in 140 different countries by accepting the currency of the nations concerned, and who are developing a considerable business. The fact that private firms can do business in this way, by accepting the currency of foreign countries, indicates that such transactions are easy and that the Bank of Canada would have no difficulty in doing so.

On May 31, 1963, Mr. Reginald Maudling, the British chancellor of the exchequer, announced that an Anglo-American agreement had just been signed between Great Britain and the United States, agreeing to mutually accept their currencies, which meant a barter agreement to reinforce the value of the dollar and the pound on the international market. Under that agreement, the central banks of the two countries agreed to grant each other credit for $500 million.

Therefore, besides the exchange operations through the international monetary fund, we shall have a free sector which will liberalize our trade. One of the most knowledgeable economists in the world, Mr. Jacques Rueff, president of the Institut de France, and former deputy governor of the Banque de France, who has just been made a member of the académie française, stated last year that:

The whole monetary system of the free world was based on a heresy—

and recently wrote in his "Discourse on credit", page 49:

I regret that the main purpose of the discussions which marked the Vienna session of the international monetary fund, in September 1961 was to extend the existence, therefore the damages, of the gold standard and that they practically completely ignored the only real problem, which is to do away with it.

The strangest thing in the present Bank of Canada Act is that only currencies convertible in gold are accepted, when those currencies are never really converted into gold.

On February 25, 1964, I put question No. 184 on the order paper of the house in order to know the amount of foreign currencies convertible into gold which was in fact converted into gold during the last five years, and from what countries came those currencies. It took almost two months and a half before I received an answer, and that answer was so involved that in fact it did not answer the question I had put.

The gold standard for international trade is a joke, because there is no actual movement of gold from one country to the other. Gold certificates are used, and they are just as good.

For instance, we recently exported locomotives to Mexico and Brazil, by providing a federal loan guaranteed by the governments of those countries. And they will have to pay us in U.S. dollars. But we buy coffee from Brazil and pineapples from Mexico and, because of our requirements, they also demand U.S. dollars. However, there is never an exchange of bank notes, but only bank transfers. And yet, Brazil and Mexico do not issue U.S. credit. Neither does Canada.

It is easy to understand why the main countries, including ours, have a deficit position with the United States. It is the cause of the blockade of international trade.

I should like to quote a resolution introduced by the Brazilian delegation at the 51st interparliamentary conference held in Brasilia, Brazil, where I had the honour to represent Canada in October 1962. It reads as follows:

That they should give a stimulus to the development of international trade, even through the adoption of a policy of commercial relations with every nation, in order to enable the producing countries to sell their products directly to the consuming markets.

Mr. Speaker, before 1940, our Canadian paper money was convertible into gold and, since then, that paper money has become non-convertible. Does that mean that Canadians have lost confidence in their money? The same thing applies on the international level. The non-convertible currency of a foreign country is just as good as a convertible currency. The fiduciary currency circulating in most countries of the world is non-convertible, the same as ours. Its value is based solely on the confidence people have in it. The money we have now may be defined as a claim to social assets. It is purchasing power liberated either by the public authorities or the bank issuing it.

Before closing, Mr. Speaker, I should like to refer to a statement made yesterday morning by the Minister of Trade and Commerce, a statement which is so much in accord with this measure that I shall take it upon myself to quote it. Here it is:

First, the trade negotiations committee has recognized explicitly that Canada is a country with such a commercial and economic structure that negotiations restricted to a simple formula of uniform tariff reductions would not produce mutual advantages.

It is quite clear, Mr. Speaker. And even if we would now succeed in reducing tariff barriers, if we do not accept foreign currency, how can we sell to other countries,

since, as I said earlier, we always ask for American dollars? I hope finally that the government will not try to kill this bill which would promote the development of Canadian economy and would enable us, in addition, to cope with part of the unemployment, owing to the great economic activity which could be induced by our exports abroad.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have appreciated what the hon. member for Chicoutimi (Mr. Côté) had to say concerning the responsibilities of the Bank of Canada.

The explanatory note concerning Bill No. C-24, the object of which is to amend section 23 of the Bank of Canada Act, stipulates that the Bank of Canada should hold only a reserve of 25 per cent against its outstanding notes and deposit liabilities, whether in gold, in foreign bills of exchange, or in foreign securities.

If I refer to the 1962 Canada Year Book, and more particularly to the chapter concerning the Bank of Canada, which is repeated each year, I find on page 1089 the following:

> Section 23 of the Bank of Canada Act provides that the Bank shall maintain a reserve of gold equal to not less than 25 per cent of its outstanding notes and deposit liabilities. This requirement was suspended in 1940 when, under the terms of the exchange fund order, the bank's gold holdings were transferred to the exchange fund account to form part of Canada's official gold and United States dollar reserves.

In other words, that means gold held by the Bank of Canada in 1940 was transferred to the United States dollar reserves.

And I continue:

> The Currency, Mint and Exchange Fund Act passed in 1952 provides that, notwithstanding section 23 of the Bank of Canada Act, the Bank of Canada is not required to maintain a minimum or fixed ratio of gold or foreign exchange to its liabilities unless the governor in council prescribes otherwise.

All this means that monetary control in Canada was, in fact, transferred to the Americans in 1940, and further, that we are now unable to make our own decisions, in short, that at this point, we are not even able to effect a commercial transaction with any other country without being duly authorized by the United States.

Mr. Speaker, there are some countries in the world which never believed in the myth of gold as a reserve or monetary basis. It is difficult for us to do business with them today, precisely because of the monetary control of the United States over Canada.

I refer to the regulations of the Bank of Canada, and, on page 1089 of the Canada Year Book for 1962, we find this:

> The bank may accept deposits that do not bear interest from the government of Canada, the government of any province, any chartered bank or any bank to which the Quebec Savings Bank Act applies. The bank does not accept deposits from individuals and does not compete with the chartered banks in commercial banking fields.

The matter is probably not exactly related to the question of gold reserves, but it, nevertheless, raises certain questions which the Minister of Finance will some day have to answer.

Indeed, why does the Bank of Canada pay no interest to the Canadian government, while charging the government some? Why should the bank not pay any interest to the provinces, when they have to pay interest to the bank? Why this absolute control on the economic life of a nation like ours, which needs to proceed with its development?

The purpose of Bill No. C-24 is to amend that part of the act which maintains the Bank of Canada under foreign control.

We cannot accept such a control over the Bank of Canada, because it is essential that our country transact business with other countries of the free world, whether or not there is gold.

Gold does not increase the value of the dollar or currency of any country in the world. What gives value to a currency is a country's production.

It is the production of goods and services that counts for any country, and when Americans or others tried to have us believe that gold was essential to do business with each other, they lied barefacedly and they definitely misled us.

Mr. Speaker, it is about time that the Bank of Canada Act be amended in order to make it more efficient, not only with regard to our foreign trade, to our trade or industrial relations with the other countries of the world, but also to make it more flexible, so that Canadians may develop their country and have a better organized production, allowing Canada to put on the international market Canadian products which will be a credit to our country, in short, to give to our monetary system the necessary flexibility.

Mr. Speaker, the suggested amendment is along those lines. There will be also other amendments with regard to the Bank of Canada in order to make it more efficient, more suited to the economic situation, and also to place it at the service of the whole Canadian population, at the service of physical possibilities that we have to make Canada greater and more prosperous, and able to co-operate further with the other nations of the world.

[*Text*]

Mr. J. E. Lloyd (Halifax): Mr. Speaker, despite the rather vehemently and strongly worded assertions of the previous speaker on

the subject of amending the Bank of Canada Act, I must say that I can find no justification for the conclusions he has drawn. I believe that in Canada we have the framework, the backbone if you like, of one of the soundest banking systems in the world. I agree that nothing is perfect, and no organization which this government at Ottawa attempts to establish will ever attain perfection. There is constant need for improvement. But when you attack the fundamental principle upon which the system rests, thereby irresponsibly destroying confidence in something which is good, then you invite severe and direct response to such an attack.

Mr. Caouette: You do not even understand it. You don't know what you are talking about.

Mr. Lloyd: It is obvious, Mr. Speaker, that the irresponsibility extends to the point where the advocate of such a policy as that now before the house would even deny those who disagree with him the right to offer some kind of comprehensive answer—and he shall get it.

As explained by the hon. member for Chicoutimi (Mr. Côté), this bill proposes that the Bank of Canada should be able to hold the currency of other countries, and particularly countries in need of financial assistance. It is also proposed that the Bank of Canada will accept the currencies of these countries up to half a billion dollars.

There has been nothing offered to the house by way of explanation as to where the half billion dollars will come from. To the hon. gentleman who just said that I did not know what I was speaking about, may I ask him to share with me an examination of the balance sheet of the Bank of Canada, and to take a good hard look at it. If he does he will find that the Bank of Canada, at the end of 1963, held government of Canada securities to the extent of over $3 billion.

Mr. Speaker, I invite the same respect for my remarks as I gave hon. members of the house when they were speaking. To the hon. gentleman who had so much to say in criticism, and who is so quick to accuse others of not knowing what they are talking about, I ask does he realize that in order to provide this half a billion dollars, under existing arrangements the Bank of Canada would have to liquidate a half billion dollars of Canadian government securities, and to that extent dry up from the Canadian economy a half billion dollars of purchasing power with its resulting downward effect on the purchasing power of Canadians?

If you read the balance sheet of the Bank of Canada you can see how it operates. The bank obtains its capital from its true shareholders, being the government of Canada. It receives it in the form of deposits of the chartered banks of Canada and, in addition, it has in circulation to the general public over $2 billion as at the end of 1963. If this serves no other purpose but to illustrate that we do know what we are talking about, at least it is that much to the good, and I hope the hon. gentleman who offers this criticism will himself be able to say so after this debate.

If you take a look at the operating statement of the Bank of Canada you will find that its income from investments in 1963 totalled $127 million, and that these investments are mostly government of Canada bonds. You will find that the expenses of operating the bank were only $10 million, and the net amount paid to the Receiver General of Canada was $116 million. To the extent then that this reduces the investments in government of Canada bonds held by the Bank of Canada, it reduces the earnings of the Bank of Canada, and therefore it reduces the revenues of the Receiver General of Canada by that amount. To make this up he has got to find it by way of taxes or other ways.

I am sure the hon. gentleman has gone through this exercise on many occasions, and that he is fully aware that except for the $10 million of expenses that appears in the Bank of Canada's statement for operating expenses, the government of Canada borrows from those who hold notes some $2 billion at a mere expense of $10 million a year. If, on the other hand, you take these investments in government of Canada bonds and you proceed to invest them in currencies, convertible or not, of other countries, which are non-interest bearing, you thereby reduce the income of the government of Canada by that amount, and it has to make it up in some other way.

Furthermore, the Bank of Canada must in turn liquidate half a billion dollars of its government of Canada securities to be able to invest in these proposed currencies, and what it invests in these currencies dries up the savings of Canadians to that extent. It subtracts from the credit capability of the Canadian banking system to that extent, and with the multiplier effect on the economy, the bill would have the opposite effect to what it proposes to do. This is the shocking fact you have to face when you sum up the claims made by hon. gentlemen opposite, namely that it will do the opposite to what is proposed.

We should not forget that the Bank of Canada has a function to perform in managing the debt of the country and in maintaining stability of the value of our dollar. There are no two ways about that; but the bank does not

perform the function of providing financial aid to foreign countries. This is done by the external affairs department of the Canadian government, and when we propose foreign aid to stimulate a development in another country we bring it to the house for an appropriation of funds. This must be done if we want to have democratic responsibility retained in House of Commons, unless you want to give it away to some department.

An hon. Member: Oh, oh.

Mr. Lloyd: I suppose the hon. gentleman opposite must have read that famous dissertation of a Dutch delegate when speaking to an American delegate at Bretton Woods, when he said it is better to have loaned and lost than not to have loaned at all. Perhaps it is on that kind of philosophy that this bill is based, but there is no need for us to take such a chance.

The international monetary fund provides a means for expediting the need for exchange of countries that are developing, if they have any capability at all. Second, we have the world bank, and its purpose is to assist those countries in need of capital financing. The world bank is supported by the leading nations of the world, in fact practically by all the nations of the world with any financing ability at all.

As one writer put it, the record of the world bank, or the international bank for reconstruction and development, is one of quiet success.

> It has contributed modestly to the flow of international investment since the war and the volume of its transactions is increasing. Its loans, totalling $5,181 million, have made a contribution towards alleviating the dollar shortage.

It seems to me it would be more desirable to focus attention on this mechanism, through which to work and try to encourage improvement in the operations of this international banking system, rather than introduce some tinkering with the value of the Canadian dollar.

> Its loans, totalling $5,181 million, have made a contribution towards alleviating the dollar shortage and have enabled a considerable number of projects in small and backward countries to be undertaken which, because they are only indirectly productive or profitable, would not have been undertaken without the bank's aid. It has become a specialized institution to deal with such projects and its usefulness cannot be judged solely by the statistical record of its loan operations. A notable feature of the bank is that it has gained the respect and confidence of business and financial interests, being itself run as a business by bankers in close collaboration with Wall street and financial interests throughout the world.

Mr. Marcoux: Would the hon. member give the name of the book he is quoting, and also the name of the author?

[Mr. Lloyd.]

Mr. Lloyd: The book from which I just quoted at page 240 is a work by W. M. Scammell, entitled "International Monetary Policy", published by the MacMillan company, 1962. I believe that is the information the hon. member requests. I might say that an extensive reading of this work might prove useful to the questioner. Incidentally, some of the other quotations were made from Mr. Rasminsky's presentation to the royal commission on banking, in which he set forth the fact that the Bank of Canada is not responsible for the operation of Canada's foreign exchange control funds. Since 1939 this has been the direct responsibility of government, and decisions regarding the determination of the exchange rate and the conduct of official foreign exchange operations are government decisions.

To abandon the facilities available to us through the international monetary fund, to ignore the world bank and to abandon the device of special votes of parliament for foreign aid programs when they are needed—to ignore all these things and then propose that we could do them all through an amendment to the Bank Act whereby we would take the non-convertible currencies of other countries would in my opinion simply destroy all the common sense in international finance that we have managed to achieve since the end of world war II.

[*Translation*]

Mr. Côté (Chicoutimi): Would the hon. member allow me to ask him a question?

If he listened to me well, he must know that I did not say that we must repudiate our agreements with the international monetary fund; I said that parallel to the international monetary fund we would set up a free zone.

My words should not be twisted; I think that the hon. member is getting away from the matter under consideration.

Mr. Dupuis: That is not a question, it is a clarifying statement.

[*Text*]

An hon. Member: He does not know what he is talking about.

Mr. Lloyd: You will recall that there were two spokesmen on that subject, the hon. member for Chicoutimi (Mr. Côté) and the hon. member for Villeneuve (Mr. Caouette). The hon. member for Villeneuve was the one I said was most vehement and most extravagant in his condemnation of the existing banking system. In all fairness I would also say to the hon. member for Chicoutimi that he distinguished himself from

the hon. member for Villeneuve by the reasonableness of some of the observations he made.

My criticism is mainly directed toward the spokesman who attempted to defend the bill of the hon. member for Chicoutimi with far more extravagant exaggeration than one would hope would ever be expressed in this house. There was a wealth of generalization, unfounded on any sound hypotheses and certainly not based on anything that one could accept as valid. The hon. member for Chicoutimi, who introduced the bill, did confine himself to an explanation that it would supplement the efforts of the world bank, the efforts of the international monetary fund and the foreign aid programs of the government of Canada. But I must say to him in all fairness that it will not supplement those efforts. If anything it would hinder them, unfortunately, for the reasons I have given.

In short, the Bank of Canada would have to sell government of Canada securities to provide the funds with which to produce the half billion dollars. There is no doubt about that. It would have to sell government of Canada securities to provide the funds and in so doing it would dry up savings in Canada for that purpose and divert them from the Canadian economy. When you consider the multiplying effect of such a transaction the objective of the bill would not be attained. On the contrary, you would lessen the capability to give assistance through federal aid programs by way of appropriations made by this house and by way of assistance to the international monetary fund and to the world bank. I believe that the motives of the promoter of the bill are certainly to be highly commended but the method he has chosen is highly impractical and would, indeed, worsen rather than ease the situation.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I had not intended to speak on the bill because I wanted it to come to a vote, but the previous speaker has distorted and misconstrued its intent so badly that I think I should take about three minutes to attempt to remove some of the confusion from his mind with respect to what its intent is. I think he misses the point completely when he talks about the Bank of Canada having to sell other securities in order to have as part of its reserves the currencies of other countries. Surely there is a valid argument that can be made for changing the law so that Canada is not obliged to accept only the currencies of the United States and the United Kingdom or gold.

The suggestion made by the hon. member for Chicoutimi (Mr. Côté) that the Bank of Canada could hold for exchange purposes an amount not exceeding $500 million in other currencies surely would expedite trade so that we could deal directly with these countries. At the present time some other agency must be employed. Their currencies must be converted to the currency of the United States or the United Kingdom. We think that Canada has reached a position in the world today where we should be able to deal directly through the medium of their currencies and ours. This is the point that the hon. member for Chicoutimi was trying to make. Considering the volume of Canada's trade with all these other countries in the world, he put a reasonable limit on the amount, and surely the hon. member for Halifax (Mr. Lloyd) should accept and recognize the intent of the bill without trying to draw an interpretation that was not intended at all.

[*Translation*]

Mr. Jean Chrétien (St. Maurice-Laflèche): Mr. Speaker, some hon. members are grumbling because I want to talk about the Bank of Canada. Of course, in the last 14 months, I have heard quite a number of them talk about that same subject without knowing anything about it and I suppose that after hearing the hon. member for Halifax (Mr. Lloyd), they will realize that if there are, on this side of the house, members who talk about the Bank of Canada, it is because they are familiar with the matter under consideration.

An hon. Member: We have been studying it for the last 14 months.

Mr. Chrétien: Bill No. C-24 introduced by the hon. member for Chicoutimi (Mr. Côté) proposes to amend the Bank of Canada Act. In short, the hon. member for Chicoutimi would like to change the definition of the words "foreign currency" in order to allow the Bank of Canada to hold non-convertible foreign currencies.

In short, this change means that the Bank of Canada will hold local currency which will allow it to deal only on the markets of the countries concerned. In my opinion, this would have no practical value since Canadian currency is now in great demand on international markets. Anyhow, why change our Canadian money for foreign currencies of lesser value.

Moreover, according to the statement made by the Secretary of State for External Affairs (Mr. Martin) on November 14, 1963, the purpose of the Canadian policy is to help those countries to purchase in Canada by giving them funds to make the necessary transactions. I wonder then what would be the practical purpose of the measure introduced

by the hon. member for Chicoutimi, since we now offer these countries the funds they need to make transactions with us.

From the technical point of view, the bill is useless since section 23 of the Bank of Canada Act is not in force at present, because section 25 (2) of the Currency, Mint and Exchange Fund Act, chapter 315 of the Revised Statutes of Canada, provides that the Bank of Canada is not required to maintain a minimum reserve of gold and foreign exchange and suspends the application of section 23.

Obviously my hon. friends opposite are somewhat annoyed to see that I can deal with this question because for months they told the electors of Quebec that it was useless to understand the meaning of this since, they said, the important thing is to print money and that is what we are going to do.

However, the Porter commission which has just completed its hearings has examined those problems thoroughly and has made recommendations, especially in chapter 15 of its report.

Now, before introducing any bill I think that our hon. friends should examine the report of the Porter commission. I have begun to study this voluminous report; of course, it is not easy, but as I am a responsible member I am reading this book completely before talking about it in a decisive manner.

The first impressions I get from this report lead me to believe that it is a very conservative one, in that it does not favour sufficient intervention from the state into those financial fields.

At the present time, if we want Canada to maintain its particular identity, the government will have to take its responsibilities as regards the banking and financial institutions and not leave everything to free enterprise as the Porter commission seems to suggest.

Another point struck me when I read the Porter commission report, a point which was also commented by the press. It is the fact that the commission did not concern itself enough with the constitutional implications of its recommendations. We are already reading in the press that certain recommendations will create problems—

Mr. Côté (Chicoutimi): Mr. Speaker, I rise on a point of order. We are not considering the Porter commission but Bill No. C-24. Consequently, I would ask the hon. member for St. Maurice-Laflèche to revert to the subject under consideration.

Mr. Chrétien: Now, Mr. Speaker, I think it is quite in order to speak of the Porter commission, because it had been asked by the previous government to look into banking problems in Canada.

We are now discussing the problems of the Bank of Canada and if my remarks are out of order, I wonder when they will be in order, since I am now speaking about a matter dealing with bank problems in Canada.

Mr. Rondeau: Mr. Speaker, I should like to direct a question to the hon. member. Could he explain to the house why the recommendations set forth by the royal commission on banking appointed in 1944 have not yet been put into practice? If we have to wait that long to put into practice the recommendations of the Porter commission, it will certainly take considerable time for the Liberal party to implement them.

Mr. Chrétien: I am pleased to answer this question of the hon. member for Shefford. A commission can make recommendations that the government may find unacceptable. And when we have responsible government like the one we then had, it is possible that it decided not to accept them in the political climate that prevailed at the time.

The last commission which studied the problem was the MacMillan commission and, unless I am mistaken, it did so in 1933, not in 1944. At any rate, Mr. Speaker, I feel that the bill introduced by the hon. member for Chicoutimi—

Mr. Vincent: Would the hon. member allow me a question? In the few minutes remaining before the bill is put to a vote, could the hon. member for St. Maurice-Laflèche explain why his party supported Social Credit on the question of interest free and exchange free money?

Mr. Chrétien: The point is that I was not in the house when that proposal was made. However, even suggestions made by members of the opposition may be considered acceptable at times, and if it was deemed acceptable at that time—

Mr. Dupuis: No, that is false.

Mr. Chrétien: Maybe, but unfortunately, I was not here at the time; I stood as a candidate in 1963 only. Evidently, our people understood that the policy of free money was not very serious and they decided to re-elect as they used to, a Liberal member.

Anyhow, I commend the hon. member for Chicoutimi for having considered that question. He made a serious speech. I do not agree with his conclusions, but I find there is a great contrast—I regret the hon. member for Villeneuve (Mr. Caouette) is not in his seat—between the seriousness of his speech and the usual idle talk of the hon.

member for Villeneuve. You will agree I would have made my speech, even in the presence of the hon. member for Villeneuve, for I suppose that everyone in the house has listened to the speeches made by him, when he wants to revolutionize everything and "start the money press rolling."

Mr. Rondeau: Could the hon. member tell me when the hon. member for Villeneuve said to "start the money press rolling"?

Mr. Chrétien: All over the province of Quebec, during the election campaigns of 1962 and 1963.

Mr. Rondeau: I wish to tell the house—

[*Text*]

The Acting Speaker (Mr. Batten): Order; I think it might be just as well if hon. members returned to a discussion of the bill before the house.

[*Translation*]

Mr. Chrétien: Hence, Mr. Speaker, I think that, at the present time, the bill moved by the hon. member for Chicoutimi will not attain the very praiseworthy objectives it was meant to achieve. We have at present a Canadian currency with a fairly good value on the international market and the Bank of Canada Act and other related acts provide that the bank shall hold foreign currencies. We are holding here monetary securities other than Canadian securities, in this case American and British securities, because the pound sterling and the American dollar, just like the Canadian dollar, are very stable securities on the money market, and I think it is quite reasonable that we should hold, in the Bank of Canada, the best monetary securities on the market.

But if, at any time, other securities are more stable than the American dollar or the pound sterling, then it would be in our interest to amend the Bank of Canada Act so as to authorize the bank to hold securities other than the ones held at present.

Mr. Speaker, may I call it six o'clock?

[*Text*]

The Acting Speaker (Mr. Batten): It being six o'clock, the hour for consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Batten): It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows:

The hon. member for Joliette-L'Assomption-Montcalm, the exact duties of the Secretary of State; the hon. member for Brome-Missisquoi, the establishment of a secretariat for federal-provincial relations; the hon. member for Prince Edward-Lennox, cheese, inquiry as to export assistance.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

NATIONAL DEFENCE ACT

AMENDMENTS RESPECTING REPLACEMENT OF CHIEFS OF STAFF COMMITTEE

The house resumed consideration of the motion of Mr. Hellyer for the second reading of Bill No. C-90, to amend the National Defence Act.

Mr. Deputy Speaker: Is the house ready for the question? I must caution the house that if the minister speaks at this time he will close the debate.

Hon. Paul Hellyer (Minister of National Defence): The Associate Minister of National Defence has already dealt with some of the questions raised by hon. gentlemen opposite. Tonight I should like to take this opportunity to deal briefly with a number of other questions which have been raised and elaborate on them a little.

Both the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Winnipeg South Centre (Mr. Churchill) were critical of the fact that I limited my opening remarks to the terms of the bill now before the house rather than give a general review of defence matters. While in no way limiting the range of debate as far as hon. members are concerned, I considered that since a detailed statement on defence policy was contained in the white paper tabled less than two months ago, sufficient background was available and that any comments from me would have been repetitious in the circumstances.

The hon. member for Calgary North (Mr. Harkness) raised some general objections to the white paper. He said it was too generalized, that it lacked detail and that the first few pages contained little that is new. Well, the first part is a historical review. It was put in deliberately to give some of the background leading up to the changes in policy which we now propose for the decade that lies ahead. The balance of the paper is devoted to a general statement of policy—a general outline of the structure proposed by the government for the coming decade. Allegations have been made that white papers in the past have contained too much detail

and too little about general policy—that too much space was devoted to lists of equipment and statistics and not enough to the outlining of future policy. I thought there was some validity in those allegations and for that reason in preparing a policy document we decided that the most important content of the present white paper must be the portion devoted to policy, and that once the policy had been laid down the staff work could go forward on the basis of that policy. The statistics relating to hardware and so on could be produced—as soon as the detailed staff work has gone forward on the basis of the general requirements as laid down in the white paper. This seems to me to be a proper and logical way in which to proceed—first, the general policy and then the details based on that policy.

The hon. member for Calgary North referred to the sheet which accompanied the publication of the white paper listing highlights, including the fact that there were a number of Glassco commission recommendations to be implemented. He asked what those recommendations were. Apart from the integration of the forces and increased responsibilities for the deputy minister as outlined in the white paper, many of these additional recommendations are in fact now being implemented, including the re-organization of the information services of the armed forces for the purpose of cutting down the total number of people involved and thus promoting economy, the preparation of estimates on the basis of programs of activity rather than on the basis of standard objects of expenditure, and so on. This, too, was mentioned in the section of the white paper which the hon. member found some difficulty in interpreting. I cannot at this time list in detail the various actions being taken by the department with regard to finance, personnel management, purchasing and supply, but I can assure the hon. member that the progress we have made is considerable.

The hon. gentleman said that two of the words used in the white paper, "flexibility" and "mobility", are old words which have been used on many occasions before. I agree they have been used on both sides of the house. What we need to do now is to get on with the action to provide the mobility and the flexibility to allow our forces to cope quickly and adequately with any situation which may require their attention anywhere in the world.

The hon. member seemed confused between the unification of the high command and the integration of the armed services. The white paper makes the point crystal clear on page 19. It says this:

[Mr. Hellyer.]

> ...the integration of the armed forces of Canada under a single chief of defence staff and a single defence staff...will be the first step toward a single unified defence force for Canada.

I think it follows logically that once the high command has been unified and once the armed forces of Canada are organized on a functional basis rather than along traditional service lines the complete integration of the armed services will follow as a natural evolution from this change in organization. There will, of course, always be soldiers, sailors and airmen. We may also, some day in the future, have spacemen. But the duplication between two or more of the traditional forces is increasing and the overlapping is increasing; there are at the present time dozens of similar trades required by two or more of the armed forces of Canada, and there will be savings, and there will be economies and there will be a better use of manpower, once the forces have been organized on a functional basis, more particularly as integration proceeds.

The hon. member said an artillery officer could not command a destroyer. That may be so, but I suspect that an artillery officer might find himself quite at home with a naval gun after a brief familiarization period. Certainly many of the basic skills involved are the same. I think there should be no doubt left in anyone's mind as to what is intended: This unification of the command of the three armed forces is, as stated in the white paper, intended to be the first step toward a single unified defence force for Canada.

The question of civil control has been raised. Two or three hon. gentlemen have referred to the article by Brigadier Malone. I can assure the house that there is no problem in this respect. There will in fact be much better civil control in the future than has been possible in the past. The single defence staff will present its findings to the minister through the defence council, and before they are considered by the defence council they will be analysed fully by the appropriate section of the deputy minister's staff; that is, all proposals involving policy or the expenditure of public funds will be analysed by the civilian staff before they are considered by the defence council and before decisions are taken in respect of them. In addition, by using the defence council as—if I may use this term—a cabinet of the Department of National Defence, it will be possible to get a complete and full expression of opinion from both the senior civil advisers and the senior military advisers, so that all of the best opinion, advice and information available will be discussed and considered before decisions are taken. This will

permit, I believe, a more thorough examination of policy and of projects than has been possible in the past. It will permit a stronger civil control than has been the case, and it will also permit a better civilian direction in the sense that it will be possible to implement more closely defence policy as laid down by the government.

The hon. member for Greenwood (Mr. Brewin) as usual made a very interesting contribution to the debate, and I appreciate his remark that his party will support Bill No. C-90. His main subject, however, was related to NATO strategy and his opposition to tactical nuclear weapons being employed in Europe. He suggested—and he can correct me if I am wrong—that more reliance should be placed on strategic nuclear weapons. There I disagree, since I consider that too much reliance on strategic nuclear weapons poses a far greater threat to peace.

Mr. Brewin: Mr. Speaker, could I ask the minister a question? The minister has suggested that I should correct him if he is wrong. I should like to correct him right now, if I am in order in so doing.

Mr. Hellyer: I stand corrected, Mr. Speaker, because I remember what the hon. member said. He suggested that reliance, for example, should be placed on Polaris seaborne missiles as an alternative to tactical nuclear weapons on the central front in Europe. Is that not correct?

Mr. Brewin: Mr. Speaker, the minister is now asking me a question. What I suggested was that the strike reconnaissance role could be more effectively carried out by Polaris weapons on submarines which were not vulnerable, rather than by strike reconnaissance aircraft, as at the present time.

Mr. Hellyer: That is exactly what I thought the hon. gentleman had said.

Mr. Brewin: It is the same type of weapon.

Mr. Hellyer: It is with that, Mr. Speaker, that I would like to take issue, because first of all there is a difference in scale between seaborne or submarine Polaris missiles, for example, which are clearly in the strategic category, and tactical weapons such as those carried by tactical aircraft in the strike role.

Mr. Brewin: Mr. Speaker, would the minister permit one other question? Does he not agree that the distinction between strategic and tactical weapons lies in the target, and if the target is a military one it can be properly defined as a tactical weapon; if, on the other hand, the target is behind the lines, as it were, civilians, cities, industries, and so on, then it becomes a strategic weapon at that stage?

Mr. Hellyer: I agree that this is a distinction. I think the hon. gentleman should know, however, that the difference in degree of accuracy between seaborne and submarine-borne missiles such as he suggests, and those which would be carried by strike aircraft, makes all the difference in this case between strategic weapons and tactical weapons. Whereas a tactical strike aircraft can deliver with almost unbelievable precision its bomb or lethal load, whatever it is, to a military target, you could not possibly take that sort of a chance with a shipborne or submarine-borne Polaris missile, where the degree of accuracy is not adequate to permit its being used against a military target that happened to be, for example, in proximity to some urban or built-up area. There is quite a real and sharp distinction between these two systems. It is for this reason that I think considerable reliance must be put on tactical weapons as against strategic weapons, because strategic weapons are a weapons system of last resort. They are, in fact, directly related to the doctrine of massive retaliation which the hon. gentleman rejects.

Mr. Brewin: Hear, hear.

Mr. Hellyer: The choices, if one relies solely on strategic weapons, are surrender or annihilation, and surely this is not what the hon. member really wants. The advantage of having tactical nuclear weapons is to provide a deterrence at a lower threshold than strategic retaliation. The NATO alliance does not have sufficient strength to deter aggression on the central front without tactical nuclear weapons. If our object is to deter war, we must face the reality of the situation. A greater reliance on strategic weapons would be the most dangerous and most provocative strategy that we could in fact employ.

In so far as Canada's contribution is concerned, we have already indicated in the white paper that the strike role will be reduced substantially in the years ahead. We have also decided to give our aircraft a second, non-nuclear capability. This gives the squadrons a greater flexibility under a wider variety of circumstances. This is directly in line with the policy set out a year ago. The hon. gentleman has mentioned several times what he refers to as intervention forces. In my opinion that is exactly what we are building up. Our forces are to be highly trained, mobile and flexible intervention forces, and I cannot really draw any distinction between the intervention forces that the hon. member suggests and those that are proposed in the

white paper on defence. I think it is a question of semantics. If there is a distinction, I would like to know what it is, because I am not familiar with any distinction which might be in the mind of the hon. gentleman. He does not suggest that we should withdraw all our troops from Europe. What does he suggest as an alternative that we should do with those of our forces in Europe which are there for training, or other purposes, as part of our intervention forces? If he can suggest anything more practical and useful than what they are doing now, I think he has a responsibility to do so.

The question was raised on the other side of the house this afternoon as to the distinction between strike and reconnaissance roles. I may say that it was the previous government which put the strike and reconnaissance roles together as a single entity. In the white paper we tried to clear up this anomaly and be more precise by defining them as strike roles and reconnaissance roles, because in fact they are different and should be divided. The CF-104's which we have in Europe are now to be employed both in the strike and in the reconnaissance roles.

Mr. Willoughby: And bombing.

Mr. Hellyer: The strike role, as we have often said, is a bombing role; there has been no question about that. I think this distinction should have been made long ago so as to avoid some of the confusion which has arisen in the minds of some people.

In respect to the suggestion of the hon. member for Vancouver East (Mr. Winch), may I say that what we have proposed at the present time is really a change which is designed to solve what was in fact for us a problem. It had previously been the plan to have some reconnaissance aircraft in each squadron. Under the new arrangement we are concentrating the six squadrons in the strike role in Germany and concentrating all of the aircraft which are engaged in the reconnaissance role in the two squadrons in France. In addition, as I have already said, all of these eight squadrons will have a second non-nuclear attack role. This is not a perfect solution but it is the best one we could devise in the present circumstances.

I appreciate the remarks of the hon. member for Fraser Valley (Mr. Patterson), who in general supported the purpose of Bill No. C-90 and stressed the need for a strong, modern and completely mobile and efficient force.

The hon. member for Mégantic (Mr. Langlois) gave his qualified support for the bill, but perhaps I might correct one part of his statement. He referred to the main headquarters being in Colorado Springs, and that the naming of a chief of the main headquarters would not alter the fact that this headquarters was outside Canada. Actually the headquarters at Colorado Springs is the joint command for North American air defence. The headquarters of the Canadian armed forces is, of course, in Ottawa. It is true that the deputy commander at NORAD is a Canadian. It is also correct that after many years of distinguished service Air Marshal Slemon is retiring shortly from this position, to be replaced by another distinguished Canadian, Air Marshal Dunlap, the present chief of the air staff.

The hon. member for Mégantic (Mr. Langlois) also made certain allegations with regard to television repairs being carried out by service personnel of R.C.A.F. station, Uplands, in Ottawa. I do not in any way underestimate the seriousness of his charges, but I am sure that he will understand that if such charges are to be investigated more specific details will be required. I should therefore like to ask him if he would communicate with my office and furnish specific details to support his allegations. I can assure him that if he does so a thorough investigation will be made.

The hon. member for Hastings South (Mr. Temple) referred to remarks made by the hon. member for Greenwood (Mr. Brewin) as to the percentage of the defence budget allocated to capital expenditures. The hon. member for Greenwood quoted from the report of the special committee to the effect that in the year 1963-64, 23 per cent of the budget was for new equipment. However, as the hon. member for Hastings South pointed out, this figure of 23 per cent did not relate solely to capital expenditures. The committee rightly said that 77 per cent of the total budget for 1963-64 is allocated for operations and maintenance, but the balance of 23 per cent includes not only equipment, but construction, NATO infrastructure and industrial applied research as set forth in the tables printed in the committee's report. The correct figure for equipment is approximately 13 per cent for this year, and it is this figure that we are out to correct in reducing headquarters strength and the consequent operation and maintenance costs.

The hon. member for Lake St. John (Mr. Lessard) made reference to expenditures by NATO countries on defence, and in particular referred to the average of 8 per cent of the national budget of NATO members devoted to this purpose. He then went on to say that this compared to 25 per cent of the national budget spent by Canada. I think the hon. gentleman is confusing two things here, since in the former case it relates to the percentage

of the gross national product, while in the latter, in so far as Canada is concerned, the figure of 25 per cent is with regard to the annual financial budget at the federal level. To relate Canada's contribution to the 8 per cent of the gross national product of NATO countries, the figure given to the committee on defence for Canada was 5.1 per cent, placing Canada a shade below the middle of the scale among NATO nations.

The hon. member for York-Sunbury (Mr. MacRae) made reference to two questions which he had on the order paper concerning what are known as "Nudets". These are nuclear detection and reporting stations. His question asked whether there were any of these units presently being constructed in Canada, and the answer given on the order paper was in the negative. He then referred to an article in the *Saturday Evening Post* of December, 1963 by Stewart Alsop, in which it was stated that a Nudets system was being built at 52 sites in the United States and southern Canada. May I say that in view of the wording of the question by the hon. member we had no alternative but to give the answer as stated, since in fact no such units were presently being constructed in Canada. However, I should like to assist the hon. member in any way I can in this regard.

First of all, this Nudets system referred to by Mr. Alsop does not relate to Canada. What has been done here is that in June, 1960 the government approved the construction of a number of nuclear detonation and reporting posts, known as N.R.P.'s around several target cities in Canada. A total of 25 such reporting posts were constructed under this program, with the Canadian army being the construction authority, at a total cost of $150,000. The United States Nudets system is designed for a similar purpose but is a far more sophisticated one than the Canadian reporting posts, and although there has been some suggestion that it would be advantageous to locate some United States Nudets in Canada, no such arrangement has been agreed to.

A number of general questions have been asked about our peace keeping operations in Cyprus. I know that the Secretary of State for External Affairs (Mr. Martin) will wish to make a statement following his return to Ottawa and I will leave discussion of this most important subject until then. One question which I should like to deal with, however, is this: Why was a French speaking unit sent to Cyprus? The reason is this. Le premier bataillon du royal vingt-deuxième Régiment was for three years up to and including the time of the Cyprus crisis the stand-by battalion for UN requirements. In addition it was considered to be one of the best fighting units in the world. To deny this excellent unit its right to represent Canada would have been an injustice to the unit and to Canada.

One other question was raised with respect to peace keeping operations, and this was the suggestion that we do what some of the Scandinavian countries are now doing in putting together a special force for peace keeping operations. May I remind hon. gentlemen that at the present time all of the Canadian armed forces are on active service, and any part of the Canadian armed forces can be used for United Nations or other activities at any time. This does not require special legislation as is being proposed in one or two other countries.

We have forces available. We have used them on various occasions, and it is possible to use them on very short notice because they are trained and equipped for a wide variety of activities.

Mr. Lambert: May I ask the minister in this connection, why did he and his colleagues require a resolution of this house to send a force to Cyprus?

Mr. Hellyer: Actually, Mr. Speaker, a resolution was required because of an undertaking on the part of the government to get such a resolution from parliament. It was a question of regard for the sovereign power of this House of Commons, something which my hon. friend raises from time to time.

Mr. Lambert: The minister knows it could have been done easier in two other ways.

Mr. Hellyer: The hon. member for Lake St. John (Mr. Lessard) raised the problem of the relationship of defence expenditures to industry, particularly in so far as they would be affected by disarmament. I can assure my hon. friend that there is no fear in this regard, and if he can achieve a multilateral arms control we will be happy to grapple with the economic consequences.

The most serious charge that has been laid is the suggestion that our defence capability has been steadily reduced. This suggestion is simply not true. One by one, our defence systems which were not operational are becoming operational. Our air defence system is far more effective than it was a year ago. As soon as the Genie rockets are available for our interceptor squadrons there will be another qualitative jump in effectiveness.

Six squadrons of our air division will soon become operational, and the two reconnaissance squadrons a few months later.

The acquisition of the M-113 armoured personnel carrier will dramatically increase the effectiveness and survivability of the

Canadian army, and the brigade group in particular. This acquisition was long overdue. The first vehicles will be available later this year, and production in quantity will be available early next year. The acquisition of additional Caribou and Hercules aircraft increase substantially our flexibility and capability in air movements.

The navy's antisubmarine capability has never been higher, and the early paying off of some world war II ships in order to make additional funds available for new equipment is a forward move. There has been steady improvement in the capability of all arms and this improvement will continue in the months ahead.

No, Mr. Speaker, the white paper was not a publicity stunt. It is a broad policy chart for the next decade. It sets the foundation for the detailed planning and staff work which must go forward. It relates defence policy to foreign policy, and prescribes roles suited to the Canadian experience and personality. It predicts an organization which will permit the implementation of a co-ordinated, mobile and flexible force. It puts Canada in a position of leadership in military organization.

It is a good paper. This bill is a tool required to get on with the job. It is worthy of the support of this house.

Mr. Winkler: The minister has suggested approximate times when some of the weapons will be available. Is it the government's intention to acquire these immediately they become available, or in what period of time thereafter?

Mr. Hellyer: Would the hon. gentleman say which weapons?

Mr. Winkler: In the last few words of the minister's statement he suggested that a year from now such and such would be available, particularly for the air force. Is the government going to acquire these immediately they become available?

Mr. Hellyer: Everything I have referred to is already ordered and on its way. The M-113, for example, the contracts have been let, the first models will be available this year and the balance of the production run early in the new year. This will provide the mobility and protection required for the brigade group overseas. It is similar with the aircraft. I think the Caribou are almost immediately available and some may have been delivered. The delivery of the Hercules aircraft will start about year's end and continue through the early part of next year. All of these things I have referred to are firm decisions which are already in the works and which should provide a considerably increased capability in the very near future.

Mr. Winkler: In regard to the acquisition of a nuclear capability could the minister say when this might become available for our current air force?

Mr. Hellyer: Well, Mr. Speaker, I expect that both the air division overseas in the strike role and the air defence squadrons in Canada will be operational this year.

Mr. MacEwan: I have just a short question for the minister. I did not hear all his speech and I may have missed his reference to this matter. Can he advise the house if there will be any naval shipbuilding program brought forward during this fiscal year?

Mr. Hellyer: As my hon. friend knows, the reconversion program to improve greatly the capability of the existing destroyer escorts is going ahead, and the study on the cost effectiveness of the anti-submarine system is due for completion in July. As soon as that is completed, I would hope we could get to the question of deciding on our future shipbuilding requirements as expeditiously as possible, and then let the orders as soon as possible after that.

Mr. Winkler: Supplementary to the question I asked before, can the minister say is there any current plan to negotiate out of the present arrangements with the United States government in regard to nuclear capability or supply?

Mr. Hellyer: I do not quite understand the hon. gentleman's question. If he is referring to the air defence squadrons and the Bomarc squadrons, there is no plan to change these commitments in the immediate future. This is all set out in the white paper, and they will be used as long as required. The future effectiveness of the anti-bomber systems is to be reviewed in the light of developing circumstances. That too is set out in the white paper and I recommend to my hon. friend that he take it home with him and study it this evening.

Mr. Winkler: I have.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Some hon. Members: On division.

Motion agreed to on division, bill read the second time and referred to the special committee on defence.

Mr. Hellyer: Mr. Speaker, would you put the yeas and nays on that question now?

Mr. Churchill: Too late.

Mr. Hellyer: The hon. gentleman said on division.

Mr. Deputy Speaker: Well, it was carried on division.

FINANCE

PAYMENT OF PROVINCIAL TAXES AND FEES BY CROWN CORPORATIONS

Hon. Guy Favreau (for the Minister of Finance) moved that the house go into committe to consider the following resolution:

That it is expedient to introduce a measure to provide for the payment of certain provincial taxes and fees by crown corporations on or after the 1st day of April, 1964.

Motion agreed to and the house went into committee, Mr. Lamoureux in the chair.

Mr. Benson: Mr. Chairman, the resolution we are considering is concerned with a bill which will require a selected list of federal crown corporations to pay provincial retail sales taxes, gasoline taxes and motor vehicle licence fees. The result of this direction will be that the crown corporations of each senior level of government will, directly or indirectly, by paying all of the major kinds of sales taxes imposed by the other level of government. The present situation is that many federal corporations are not paying provincial sales taxes, whereas provincial corporations have generally had to bear the full weight of the federal sales tax, which is an indirect tax passed on to them by their suppliers. This bill, therefore, will place the federal and provincial governments on a similar footing in a major area of intergovernmental relations. In submitting to provincial licence fees for motor vehicles, the federal government would actually be going beyond what a strict interpretation of reciprocal sales taxation would call for, since provincial automobile licence fees are not in the nature of a sales tax. I believe and hope that the provinces will appreciate this action.

The crown corporations which would be affected by the bill were selected following a careful review of all branches of the federal government. Some 27 bodies have been chosen and they are listed in the schedule to the bill. They consist of 22 of the 25 corporations listed in schedules C and D of the Financial Administration Act, plus five unlisted corporations, Bank of Canada, Canada Council, Canadian wheat board, industrial development bank and the Northern Ontario Pipe Line Crown Corporation. Three corporations listed in schedule C of the Financial Administration Act have been excluded from the schedule to the bill. These bodies, Canadian Arsenals Limited, Crown Assets Disposal Corporation and Defence Construction (1951) Limited, differ from the 27 bodies to which the bill would apply in that they operate almost entirely to provide what might be described as internal services for federal government departments. The bodies listed under schedules A and B of the Financial Administration Act have been excluded for a number of reasons, one of which is that they are defined as departments by section 2(f) of that statute.

It is intended that the payment of the provincial taxes by federal crown corporations will commence with the 1964-65 fiscal year. I do not have a very precise estimate of what the annual cost to the federal government of the measure contained in this bill will be. Our calculations indicate that it would be in the vicinity of $3 million to $3½ million. However, the total annual cost to the crown corporations listed in the schedule of paying these provincial taxes would be considerably greater than this amount, since many of these corporations, particularly those with substantial commercial operations, already have authority to pay one or more of the taxes concerned, and tax payments of considerable magnitude have been made.

I believe, Mr. Chairman, that this measure is deserving of our support. The legislation provides additional evidence of this government's desire to maintain sound and harmonious relations with the provinces.

Mr. Lambert: Mr. Chairman, the statement by the parliamentary secretary has given us some information as to the ambit of this measure in connection with which I might advise hon. members that negotiations and proposals therefor were initiated some years ago by the former administration. It was definitely proposed at that time that this would be carried out. As a matter of fact, I believe a measure appeared on the order paper in 1962.

There is one matter about which the parliamentary secretary might give us some information. Is there any information about the extent of the exemptions from sales tax that are granted to the provinces for the construction of hospitals, child caring institutions and one or two other similar types of institutions, if my memory serves me correctly, where refunds are made as a result of special circumstances? Is it the estimate of the Department of Finance that the two amounts will roughly balance? Is it expected that the amount to be paid by crown corporations under the federal government by way of provincial sales tax will more or less equal the amount now paid by the provinces under the federal sales tax levy?

This is a relatively simple measure. I know it will cure a lot of ill will that has existed. There was definitely a rub. I do not know

whether the measure may lead to some sort of sales tax havens in this country. There are two provinces which do not have sales taxes at the present time and it may be that crown corporations will suddenly begin to do their business primarily in those two provinces. I do not know whether the provinces will then start, as some may suggest, to impose tariff barriers. Just what are we going to get out of this? There are still means whereby this measure can be circumvented, although it may be that the provinces will come to some agreement about sales tax equalization or there will be some method devised whereby purchases destined to another province will be subject to sales tax even though there is no sales tax within the province of destination. In any event, Mr. Chairman, we will be interested in seeing the bill and it is the conclusion of the official opposition that we will support this resolution.

Mr. Benson: Mr. Chairman, perhaps it would be best if I were to deal with the questions raised by each speaker as we move along. We could perhaps facilitate consideration of the resolution in this manner. The hon. member for Edmonton West has raised the question whether or not the amount of sales tax crown corporations operated by the federal government will pay the provinces will balance with what is paid by the provincial agencies to the federal government. I really do not think any figures are available in this regard. What we are doing in this resolution and in the bill which will be submitted to the house in due course is to achieve a balance as between the two senior levels of governments. Thus the present situation can continue whereby provincial departments are free of federal sales tax, and federal departments are free of provincial sales tax. On the other hand, the present situation where crown corporations and agencies of the provinces are bearing the federal sales tax but federal corporations are not paying the provincial sales tax will be changed. The result will be that crown corporations controlled by the federal government will be treated by the provinces in the same way as we treat corporations controlled by the provinces.

I do not think that the other question the hon. member raised with regard to tax havens is a very serious problem, because I really do not see this government or any federal government locating or carrying on the business of a crown corporation in a particular province in order to save the amount of sales tax that might be involved. I might at this point mention the fact that one can take the alternative view that all crown corporations, whether operated by the provinces or the federal government, should be excluded from the sales tax.

I do not believe this is really a fair view to take, in that many of these crown corporations are actively competing with ordinary business organizations, and therefore I believe that crown corporations operating on this basis should have their financial result comparable to ordinary business concerns which are carrying on the same kind of business.

Mr. Douglas: The legislation which has been outlined by the parliamentary secretary to the Minister of Finance has been long overdue. There have been very strong feelings for years on the part of provincial governments that they have been required to pay federal sales taxes and many other federal imposts, whereas the federal government has not paid provincial sales taxes or gasoline taxes. What I think has been even more irritating has been the fact that the federal government has not even paid truck or car licence fees. Truck and car licence fees are not taxes in the ordinary sense, but they are a charge for using public thoroughfares. Heavy vehicles doing damage to the roads make no contribution either through gasoline taxes or through car and truck licence fees, and this has really caused a great deal of feeling. It is a matter which has been discussed at every federal-provincial conference that I recall since 1945, and probably was discussed long before that.

I am very glad that the government has decided to introduce legislation to make it possible for certain crown corporations to pay provincial sales taxes, gasoline taxes and car licence fees. When we have a look at the schedules, we will have a better opportunity to ascertain what crown corporations are affected and which ones have been exempted. I feel the day is coming when all government departments, as well as crown corporations, ought to pay taxes to both the federal and provincial governments. I believe this would be a much fairer thing for everyone concerned. I know many of the provincial governments feel strongly, for instance, about the fact that military equipment, which is extremely hard on highways when moving over provincial and municipal roads, makes no contribution whatever towards the maintenance of those roads. However this is another question which will be dealt with in due course.

At the present time the government is taking the first important step towards rectifying what is felt to be a very serious injustice in respect of federal-provincial relations. I am sure that most of the provincial governments will be delighted with the introduction of this legislation. They will feel

that they are now going to get some revenue to which they are entitled for the services which they give. This will place them on an equal basis with the federal government.

The other point which I feel has to be recognized is that, with the passage of time, there is more intervention by governments in the economy of the country. In spite of all the talk about pure free enterprise, the fact is that every government in Canada, federal and provincial, is doing a great deal more about public ownership than was done 30 years ago. I think this trend will tend to increase rather than diminish. If governments are going to go into business of any kind, either on a federal-provincial basis or on a shared basis with private corporations, then those crown corporations and government business enterprises should pay the same taxes as are paid by private companies to put them on a fair and equitable basis. I think the fact the federal government is going to pay these taxes now will place them on all fours with private companies, and will make crown corporations much more welcome to provincial governments than they have been in the past, when provincial governments felt they were going to supply all the services and were not going to get any of the revenue to which they were entitled. I congratulate the parliamentary secretary upon the introduction of this legislation on behalf of the government, and the members of this party will support it.

Mr. Benson: I should like to deal with one or two questions raised by the hon. member for Burnaby-Coquitlam. I am very pleased to learn he is supporting the government in respect of this particular piece of legislation. He mentioned the question of truck and car licences. They are included in this piece of legislation and we will be paying truck and car licences.

Mr. Douglas: But only for crown corporations.

Mr. Benson: For crown corporations; I should like to point out also that in the schedule which will appear when the bill comes along, very soon I hope, all crown corporations are included except those that are really considered to be departments of the federal government.

With regard to whether or not all departments of federal and provincial governments should pay sales taxes to one another, I might say this question is under consideration at each of the provincial conferences that comes along. There has been no unanimity to date amongst the provinces as to whether they would like to see legislation to this effect.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Chairman, in the name of our group, I would like to say that we are favourable to this resolution providing for payment of some provincial fees and taxes by crown corporations, which up to now, were exempt from such dues. In so doing, I perhaps behave a little more nicely than people have towards my bill this afternoon; however, I should emphasize that it is indeed a return of rights to the provinces.

This is perhaps a consequence of the last federal-provincial conference and even perhaps of the previous one, and of the firm attitude taken by the government of the province of Quebec—which I want to congratulate on this occasion—and it may be due to one of the leaders of that government, Mr. Lévesque, who advocates for Quebec the status of an associate state. In fact, all provincial states are associate states, and I share such opinion.

The parliamentary secretary to the Minister of Finance (Mr. Benson) spoke about reciprocity between federal and provincial taxes. I hope these fees and taxes remitted by crown corporations will be higher than those already paid by the provinces. I do not know how much provincial corporations paid up to now: we may perhaps know it some day.

I am glad to see that institutions like the industrial development bank and the Bank of Canada will pay their share of taxes in the various provinces. I hope that, before too long, a branch of the Bank of Canada will be established in Chicoutimi, and will pay taxes to the province of Quebec.

It appears from all this that, in the long run, it is always the taxpayer who has to pay the taxes because, whether or not they come from the provincial government, it is still the Canadian people who have to pay the taxes, when they are overtaxed and despoiled, as I have explained before. I hope that one day we shall see the end of this formula which crushes the Canadian taxpayer more and more.

[*Text*]

Mr. Benson: If I may deal with each of the hon. members' questions as they arise, the hon. member for Chicoutimi raised the question of whether or not this legislation is the result of the strong position Quebec took in the last federal-provincial conference. I should like to assure him that it is not. This matter has been under consideration by the federal government for a number of years and this is the first opportunity which the present government has had to bring this bill forward; we have done so as soon as we could.

It is virtually impossible to tell exactly what taxes have been borne by provincial

agencies and corporations in the past because the federal sales tax is a tax imposed at the manufacturers level and is included in the price of goods acquired by the provincial agencies. It is therefore not feasible for the federal government to calculate what share of our total sales tax revenue is borne by provincial agencies and corporations.

The hon. member raised the question of the Bank of Canada. I can assure him that although the Bank of Canada is included in the schedule, the present bill will not affect that institution because the Bank of Canada has already been paying all of these taxes. It is included in the schedule so that we may have all the crown corporations on the same basis.

The hon. member also raised a question with respect to the tax burden imposed on individuals. I really do not believe that this particular legislation affects the total tax burden on individuals. It allows the crown corporations owned by the federal government to make payments to the provinces of moneys which the provinces would otherwise have to raise from their own citizens by means of various taxes.

[*Translation*]

Mr. Caouette: Mr. Chairman, this resolution tells us very little about the provisions which will be contained in the bill, because we have been given only piecemeal information about what the Minister of Finance intends to put in the legislation.

The hon. member for Edmonton West (Mr. Lambert) told us that this matter had been well thought out and that it had been started by the previous government. On the other hand, the parliamentary secretary claims that plans to that effect were already being made way back in 1950, 1952 and 1957.

One thing is certain. In spite of the fact that the parliamentary secretary claims that the payment of taxes to provincial governments will not necessarily bring about an increase of federal taxes, this proposal will be costly for the taxpayers because the crown corporations involved all have deficits, whether it be the C.N.R., Air Canada—

Mr. Lambert: It is not true.

Mr. Caouette: —or Polymer. All government agencies show deficits, and who but the Canadian taxpayer will have to foot the bill.

The secretary to the minister cannot make me believe that raising duties or taxes paid to the provinces will not somehow raise general taxes, because the bureaucracy will need new employees and will have increased expenditures, and that will solve absolutely nothing.

[Mr. Benson.]

It makes no difference whether the matter was raised at a federal-provincial conference, at another conference, or not at all.

Mr. Chairman, I think that what should have been proposed to the house is exemption from sales tax for organized or public bodies, such as municipalities and school boards.

Last year, there have been, in every field, claims from various parochial organizations, with regard to the purchase of church equipment, for which federal and provincial sales taxes had been charged. For various obscure considerations—in some cases of a political nature—the sales tax is not collected, and I am asking why? I know that the law provides for the sales tax to be paid by every organization.

To my mind, the resolution put forward should not so much state that the federal government will pay the provinces a sales tax, but that the provinces, the municipalities, the school boards will be exempt. Then, considerable amounts would be saved and the whole population would benefit, while people would not be forced to pay higher taxes, at this time, when they have not the means of doing so.

[*Text*]

Mr. Benson: Perhaps I could deal briefly with the matters raised by the hon. member for Villeneuve. He pointed out that up to now he has been given no particulars about the contents of this bill. I can assure him that if we move quickly through the resolution stage he will very soon be able to look at the bill itself which is prepared and ready for him to examine.

The hon. member also said, erroneously I think, that all these crown corporations operate at a deficit. Thinking, offhand, of the 27 corporations involved here I could mention a number of them which operate at a profit and which do very well. For example, there is the Bank of Canada, Canadian Overseas Telecommunications, Central Mortgage and Housing Corporation, Eldorado Mining and Refining, industrial development bank and Polymer Corporation. Then, T.C.A. showed a profit last year. These are names which occur to me, without looking at the financial statements of all the crown corporations.

The hon. member spoke in favour of the abolition of all sales taxes and of a general redistribution of tax revenue in the country, but I do not think these questions come within the scope of the particular bill we are now discussing. We are merely trying to create a situation of equality between federally-owned crown corporations and those which operate as agencies of the provincial governments.

[*Translation*]

Mr. Vincent: Mr. Chairman, I would have a few words to say and a question to ask the parliamentary secretary to the Minister of Finance.

First of all, I must say that I support without reservation the legislation providing that certain dues and taxes be paid by crown corporations to the provincial governments. However, I would like to hear from the parliamentary secretary that this would not be a Greek gift, for, at this time the crown corporations are asked, and even forced, to pay provincial taxes. Now, next year the federal government should not say to the provinces: The crown corporations are paying taxes to the provinces and the provincial corporations will have to pay taxes from now on to the federal government.

An hon. Member: They do.

Mr. Vincent: I would like to have the parliamentary secretary tell the house that the government does not intend to do that, because there are in the provinces of Quebec and Ontario, corporations like Quebec hydro which do not pay taxes on corporation income.

[*Text*]

Mr. Benson: In reply to the hon. member for Nicolet-Yamaska I would point out that at present there is no imposition of tax involved in this legislation. It is not the intention of the federal government through this legislation or in any other way to my knowledge, to impose any additional tax on agencies of the provinces. The position has been that the provincial crown corporations or agencies have been paying the federal sales tax because it is included in the prices charged to them for goods and services by their suppliers, whereas federally owned crown corporations were not paying corresponding provincial taxes. This piece of legislation is merely intended to enable the crown corporations which are not paying the sales tax, the gasoline tax and motor vehicle licence fees to pay those taxes to the provinces.

Resolution reported and concurred in.

Mr. Favreau (for Mr. Gordon) thereupon moved for leave to introduce Bill No. C-95, respecting the payment of certain provincial taxes and fees by crown corporations.

Motion agreed to and bill read the first time.

Judges Act

JUDGES ACT AND EXCHEQUER COURT ACT

PROVISION FOR ADDITIONAL JUDGE OF EXCHEQUER COURT

Hon. Guy Favreau (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Judges Act and the Exchequer Court Act to authorize the appointment of, and the provision of salary for, one additional judge of the Exchequer Court of Canada.

Motion agreed to and the house went into committee, Mr. Batten in the chair.

[*Translation*]

Mr. Favreau: Mr. Chairman, the present resolution precedes a bill the purpose of which is to appoint an additional puisne judge to the exchequer court. The object of this bill is also to amend the Judges Act so as to authorize the provision of salary for this additional judge.

It will be remembered that during the last session the house passed a piece of legislation which appears as chapter 10 of the 1963 Statutes of Canada, the short title of which is as follows:

Dissolution and Annulment of Marriages Act.

It will also be remembered that the purpose of this act is to authorize the Senate to dissolve a marriage by means of a simple resolution, in the cases where parliament dissolved marriages in the past. This legislation also makes it possible for parliament to review the resolution which provides for the dissolution of a marriage.

The bill which will follow this resolution seeks simply the authorization to confer on an additional judge of the exchequer court the powers of the divorce commissioner, an officer of the Senate whose appointment is provided for in chapter 10, as I said a moment ago, and who holds office at the present time.

In other words—and that was the objective of the house in passing chapter 10—it is important, as long as that matter of divorce remains in the hands of the legislative body—in this case, the Senate—that it be disposed of in the most objective, the most judicious and, I would say, the most "judicial" way possible.

It is important also, Mr. Chairman, that the man entrusted with this exacting mission, full of responsibilities, should see his prestige recognized by having the status of a judge of a superior court.

What the proposed legislation wants to do is to enable the Speaker of the Senate to appoint one of the judges of the exchequer

court to perform, in the future, all the commissioner's functions as provided for under chapter 10 of the statutes of 1963.

I also want to point out to the house that this legislation will not change in any way the effect and scope of chapter 10 I have just mentioned and will not give the exchequer court jurisdiction in divorce matters; this jurisdiction will remain solely in the hands of the Senate and the functions of the judge of the exchequer court who will have thus been appointed by the Speaker of the Senate will just have to hear witnesses, get evidence and report to the Senate in exactly the same way as the present commissioner.

Mr. Chairman, I think it should be noted that, besides the prestige given to the function and the guarantee that legal experience will be brought to the examination of the evidence, there will be the additional advantage that, in case of death, inability to act or illness on the part of the commissioner, it will be quite easy to replace him. All the Speaker of the Senate will have to do will be to designate, among the other judges of the exchequer court, one who will take over the duties of the commissioner.

I respectfully submit once again that this legislation will in no way change what the house decided during the last session, that it adds prestige to the function and that it facilitates, in case of illness or some other impediment, the temporary or permanent replacement of the official who will thereby be responsible for hearing the evidence and for reporting to the Senate.

Mr. Pigeon: Mr. Chairman, I wish to thank the Minister of Justice for his explanations about this resolution.

Everybody knows that the provinces of Quebec and Newfoundland are the only ones without divorce courts under their jurisdiction and that it is the Senate and the House of Commons which have always dealt with divorce cases from both provinces.

I should like to ask the following question of the minister: As a matter of courtesy, did he consult the provincial as well as the religious authorities of both provinces concerned about the appointment of an exchequer court judge who will look after their divorce cases?

The minister knows that the province of Quebec especially is jealous of its jurisdictions and privileges, that it is very touchy on this subject and, even though the minister gave the necessary assurances, it would not want this to be a means, not right now maybe, but in a few years from now, to force those two provinces to establish divorce courts.

I should also like to ask the minister whether this bill is entirely consistent with the Canadian constitution, that is, if under the constitution, the government is obliged to consult the provincial authorities of Newfoundland and Quebec. I would also ask him if, as a matter of courtesy, he consulted the religious authorities of those two provinces who are firmly against any extension or change in the procedure to be followed in divorces originating in those two provinces but coming under federal jurisdiction?

Mr. Favreau: Mr. Chairman, I think that the hon. member's question is well put and I am grateful to him for having asked it.

Having taken part in the drawing up of that legislation, whose last clause was agreed to not at the very last minute but on the last day of the previous session, I can assure the hon. member, and the house also, that we made the consultations, at least the unofficial ones, which we felt were necessary.

The fact remains, however, that under the legislation which was passed and which is chapter 10 of the statutes of 1963, jurisdiction is again held solely by parliament, or rather by one of the two houses, that is the Senate, with some kind of right of appeal to parliament, that is the House of Commons and the Senate.

There were some difficulties in the wording of the bill, in the sense that the judge, to the extent where he will exercise his responsibilities, will be an official of the Senate, responsible to, if you like, the high officials of the Senate or rather to the Senate itself.

The hon. member for Joliette-L'Assomption-Montcalm like all other hon. members interested in that matter may rest assured that we are quite conscious that at present, as regards divorce cases coming from Quebec and Newfoundland, jurisdiction is assumed by parliament alone.

If there is ever some talk of establishing—I am not predicting or announcing that—divorce courts, I think, as Minister of Justice, that one of the essential conditions would be to consult with the provincial governments of Quebec and Newfoundland and also with the religious authorities who, under the circumstances, may be interested.

Mr. Pigeon: Mr. Chairman, if you will allow me, I should like to ask the minister one last question. Could the minister categorically state in this house that this bill is not in any way contrary to the Canadian constitution?

Mr. Favreau: Mr. Chairman, I shall reply, but always with this reserve and in expressing this fear that maybe, in so doing, I would give a legal opinion, but if I am asked for my personal opinion, not as Minister of Justice, but rather as a citizen and a lawyer from one of the provinces affected, I must say that in my heart and soul, I am

satisfied that the bill which will follow this resolution, if it is accepted, does not at all infringe upon the constitution.

[*Text*]

Mr. Peters: Mr. Chairman, we are again happy to be able to support this bill, and we do so for several reasons. In my study of the field I would think that the former speaker had little to worry about because the constitution is clear on this matter of marriage and divorce. In the constitution it is stated that the federal government shall be responsible for marriage and divorce, and solely responsible. When a provincial government becomes involved with these matters it must pass legislation which endorses the legislation of the federal government.

It seems to me that the Senate was very unfair a year ago in refusing to pass a similar resolution, to be followed by a bill, to make the commissioner an exchequer court judge. I say this because of the fact that the Senate has had, or had at the time, the opportunity to examine the functions of this particular official and how they should be conducted. They have, of course, now had more time and are probably in a better position to assess the situation and allay any fears which they had. The Senate reports will indicate that by April 20 there had been introduced 218 resolutions, and to my knowledge none of them was rejected in any particular, or certainly on any major point. The Senate divorce committee have felt that none of the resolutions had been handled in a way in which they would not have been happy to handle them, had the law remained as it was in the past.

I believe that this present resolution is absolutely necessary, and for several reasons. First of all, we have asked the commissioner, who is a man of great legal knowledge, of good reputation and diligence, to accept an office which is a new one, and which would be objected to, it was felt in many quarters. He has accepted this office at the cost of his law practice. Therefore I believe he should receive the assurances and the pension which go with the office of an exchequer court judge because of the duty which he is performing, as well as in view of the fact that under present circumstances he might find himself without a job, should there be a change of government. This might not come about and we hope it does not; but in the past other officials who were commissioners and appointed by one government were not always maintained in their office by the succeeding government. In this case it would mean a severe loss, and I do not think we should ask anybody to assume this responsibility on this basis.

I should like to go a little further than the minister went, because it is my hope that when exchequer court sees fit to allow one of its members to act as a commissioner of divorce under the control of parliament and outside of the normal legal jurisdiction exercised by the exchequer court this would allow for a rotation system. I say that because I can see nothing worse than sentencing a man of the intelligence of the present commissioner to 15 or 20 years of hearing divorce cases four days a week at the rate of eight a day. This seems to me to be a sentence we should impose on no individual. I should like to see us arrive at a system which would allow for a rotation in the Senate, or at least a spelling off of the duties involved from time to time. It may be that as time goes by his duties may not require such an arduous schedule and that the exchequer court will be the beneficiary of this commissioner, and he will be able to handle other matters. It would also mean that in case of death of the commissioner it would be very easy to replace him with another commissioner under the same type of arrangement at the request of parliament.

Therefore, for these reasons I believe the house should give favourable consideration to this resolution. I hope the government has conferred with some of their confreres in the other place and that this bill will get speedy passage there as well. I am happy to note that because the former leader of the other place could not pass a similar measure we now have a new leader, and I hope the situation has improved. I believe this is a forward step. I have watched the operations of the commissioner. It is a new field. I have discussed on a number of occasions some of the problems which he has and I find that these problems are not much different from those we faced ourselves. I think this is an opportunity for parliament, and should be an opportunity for parliament, to examine the operations of that office periodically, at which time we should be prepared to make further recommendations in the whole field of matrimony and divorce.

[*Translation*]

Mr. Marcoux: Mr. Chairman, I wish to say a few words only on the resolution under consideration. It is understood that there is no question of discussing chapter 10 of the statutes of 1963, since it was passed last year.

I think that it is a good thing that the commissioner concerned be a judge or becomes a judge of the exchequer court, and that, for the various reasons given a minute ago by the Minister of Justice (Mr. Favreau).

In my opinion also, the hon. member for Timiskaming (Mr. Peters) put forth worthwhile arguments in favour of the commissioner being a judge of the exchequer court. I think this is also the view of the members of our party.

Mr. Chairman, as I do not wish to take any more time, I should just like to know whether the additional judge will be the divorce commissioner, whether any of the present judges of the exchequer court may at times be appointed divorce commissioner or whether the Speaker of the Senate may freely choose one or the other according to circumstances or the recommendations made to him by the government or the Senate committee.

Be that as it may, I feel that the efficient application of the provisions of chapter 10 of the statutes of 1963 requires that the commissioner be a judge of the exchequer court. If it ever becomes necessary to change the procedure for the granting of divorces, the question could be examined at the proper time but, for now, I share the opinion expressed by the Minister of Justice.

Mr. Favreau: Mr. Chairman, to answer the question raised by the hon. member for Quebec-Montmorency (Mr. Marcoux), I think that it would be somehow concealing things from the house not to admit that to our mind, the first one appointed to that post will be the present commissioner.

With regard to the supplementary question asked by the hon. member, I must say that it is quite clear that under any circumstances, the Speaker of the Senate will always be able to designate another judge from the exchequer court to complete a role already begun, or if one may say so, to help accelerate the pace when disposing of the cases.

Moreover, there may be several motives which will prevent the first designated judge from sitting on certain occasions, and the proposed substitution will constitute an additional advantage, already noted by the hon. member for Quebec-Montmorency, by avoiding any hiatus or undue delay in divorce cases, under the present act.

Mr. Rondeau: A few words only, Mr. Chairman, to say that we are supporting the resolution to appoint another judge from the exchequer court to hear divorce cases.

Some hon. members have aired their views earlier today with regard to the province of Quebec. Indeed, it is a well-known fact the people at home are pleased about the questions and problems of divorce having been referred to the federal authorities, as the provincial authorities do not want to have anything to do with them. This being so, it must be admitted that the federal government should assume its responsibilities. That is the obvious reason for which the house is now considering the resolution, and when we shall have the bill itself before us, we shall certainly be better informed than we are now.

Now, if one day the province of Quebec feels aggrieved, if certain problems should crop up which the provincial authorities would like to solve in a way other than that already decided by the federal government for the future, I believe Quebec will always be entitled to make representations in due course. But from now until then, we should not worry too much, since the province of Quebec is being freed, one way or the other, from its responsibilities, especially in the field of divorce.

Consequently, Mr. Chairman, we support the resolution, because we know there are presently many divorce cases which should be heard. We want in no way to delay the business of the house, because we know we must expedite things and help the Senate committee to which are presently entrusted divorce problems and which wants help through the appointment of an additional judge of the exchequer court. This is why we support in principle the resolution under study, pending the possibility of discussing shortly the substance matter of the bill.

[*Text*]

Resolution reported and concurred in.

Mr. Favreau thereupon moved for leave to introduce Bill No. C-96, to amend the Judges Act and the Exchequer Court Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time?

Mr. Favreau: Mr. Speaker, I may tell hon. members that although the bill has not been circulated they may take my word for it that it is verbatim, with not one iota of change from the text of Bill No. C-133 which was adopted by this house on December 21, 1963. In the light of that statement maybe the house would give unanimous consent and agree to second reading now, so that it could go as quickly as possible to the Senate.

Mr. Churchill: We would like to accommodate the house leader, but under the circumstances we are doing very well.

An hon. Member: Obstruction.

Mr. Churchill: Our expectation tonight is that we might pass the amendments to the Estate Tax Act, and go on with this bill tomorrow.

Mr. Deputy Speaker: When shall the said bill be read a second time—next sitting of the house? Agreed.

ESTATE TAX ACT

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill No. C-94, to amend the Estate Tax Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1.

Mr. Benson: Mr. Chairman, at the resolution stage I gave a rather full explanation of the resolution which is enacted in this particular bill. There are five main parts to the resolution and to the changes that we are proposing in this bill.

The first of these is that the estate tax will now be reduced by 75 per cent in provinces that levy their own succession duty, as was agreed at the federal-provincial conference here in Ottawa last year, provided they do not choose to take a payment equivalent to the additional 25 per cent instead. The second main point with respect to this bill is an amendment whereby the limit of $1,500 of funds which are available to beneficiaries from any one bank account is increased to $2,500. The third is a proposal that certain settlements under the Quebec civil code be treated similar to settlements of the same kind in the other provinces of Canada. The resolution stated this fact and it is enacted in the legislation.

The fourth point was that dispositions of community property in the province of Quebec be treated in the same way as they are treated by the succession duty act in the province of Quebec. The final item was to close a loophole with respect to a single premium annuity coupled with a life insurance policy whereby certain individuals, taking advantage of the provisions of the Estate Tax Act as it existed, were evading estate tax.

Mr. Lambert: Mr. Chairman, there are a couple of omissions in the statement by the parliamentary secretary. If we look further into the bill we see there is also a clause dealing with penalties about which we have not heard anything. I should like to have an explanation of that clause. I am referring to clause 4 on page 5 of the bill. If the parliamentary secretary will consult his adviser I think he will be able to come up with the reasons why this change is being introduced.

I should like a full explanation because my experience with taxing statutes is that we have to be extremely careful about the penalty sections. Too often because of a sort of administrative zeal we get rather wide, sweeping provisions concerning penalties. Even as a result of innocent omissions or quite inadvertent errors in returns by taxpayers it is proposed that, notwithstanding bona fides on their part, they shall be subject to penalties for filing the wrong type of return. I must say I object to this. I think that very definitely there should be penalties where there is intent to deceive or conceal, but where the action by the taxpayer has been inadvertent I say it is wrong to impose additional penalties for failure to include certain things in returns. In my view this applies not only to the Estate Tax Act but to other taxing statutes which come under the jurisdiction of the Department of National Revenue.

I should also like to get some explanation, for the record in any event, with regard to why the amendment contained in clause 2 was included. I realize it must have come about as the result of some hard case where a really bona fide gift to charity was made with a right of encroachment and yet it was not possible to get renunciation in time before the death of the person who had the right of encroachment. I am not going to say too much about this provision included in the act. I have objected in the past that I thought that within certain limits there should be a right of encroachment on some of these gifts to charities, and that they should still be deemed to be gifts to charities perhaps to the extent that the encroachment was limited to a certain sum or a certain percentage of the charity.

I do not think it is quite fair to leave a widow for instance, to make a gift to a charity at a certain specified time, because she may be in necessitous circumstances or there may be a dependant child who will become subject to some misfortune and might have the right to encroach, and once that is cleared away that the gift be turned over to the charity and therefore become exempt from the estate tax.

Otherwise we have had a rather full explanation at the resolution stage. I presume that only time and experience will tell whether the language of these amendments will carry out the intent. I know that lawyers can engage in some very fine hair splitting on these matters and I certainly do not wish to comment on the language. I think it is reasonably straightforward, or as straightforward as language can be in a taxing statute. But I should like to have explanations as to the penalties and other matters.

Mr. Benson: Mr. Chairman, if I may deal with the questions raised by the hon. member

for Edmonton West, first of all I say thank goodness I am not a lawyer and therefore I cannot enter into legal arguments with him with respect to the wording, and whether or not it will carry out the intention as stated in the resolution which was discussed at some length. Clause 4 on page 5 was not included in the resolution and, as mentioned by the hon. member for Edmonton West, it is a penalty clause. It is a clause which is similar to section 56(2) of the Income Tax Act and it is designed to prevent gross negligence in the filing of returns with respect to estate tax. Perhaps I should read the wording of the clause into the record. It reads as follows:

> Every person who, knowingly, or under circumstances amounting to gross negligence in the carrying out of any duty or obligation imposed by or under this act, has made, or has participated in, assented to or acquiesced in the making of, a statement or omission in a return, statement or answer filed or made as required by or under this act or a regulation, as a result of which the tax that would have been payable if the tax had been assessed on the basis of the information provided in the return, statement or answer is less than the tax payable, is liable to a penalty of 25 per cent of the amount by which the tax that would so have been payable is less than the tax payable.

The intention of this clause is not to penalize the person who has innocently made a mistake or omitted something in filing a return. Anyone who prepares an estate tax return can inadvertently omit something. But just as section 56(2) of the Income Tax Act is designed to penalize those people who knowingly try to avoid paying the tax legally due to the Receiver General of Canada, so this section is inserted in the Estate Tax Act to provide similar penalties so as to prevent people from committing what really is fraud with respect to their taxes.

The other question raised had to do with clause 2 of the bill, and here I might perhaps quote an example. Let us take the example where a charitable gift is made by the husband with power to the widow to encroach and the widow does not renounce this gift within two years but dies within the two years without renouncing the right. The law will nevertheless allow a deduction in respect of the gift to the charity made by the deceased husband. It is a relieving provision in the act, and it is a beneficial amendment to the beneficiaries of the particular estate.

Mr. Lambert: I am glad the parliamentary secretary has referred to sections 56 and 54(2) of the Income Tax Act. I know at the time these changes were made some years ago I was particularly insistent myself that in the framing of those sections they be limited directly to fraudulent intent or gross negligence. The original intention had been to include negligence, and of course we must never have that.

Clause agreed to.

Clauses 2 to 6 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time? Now by leave?

Some hon. Members: Agreed.

Mr. Gordon moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Churchill: I think we should now call it ten o'clock and have the business announced for the rest of the week.

Mr. Favreau: Mr. Speaker, beginning tomorrow we will proceed with second reading and committee stage of the bill to amend the Income Tax Act. We will then proceed with the resolution preceding the bill to amend the Bank Act and the Quebec Savings Bank Act, to extend by one year the authority of the banks to do business in Canada. Then, we will take the resolution preceding the bill to amend the National Housing Act, following which we will deal with the resolution preceding the bill to amend the Export Credits Insurance Act, which will be followed by the resolution preceding the bill to amend the Farm Credit Act.

I may tell the house that it is the intention of the government that on Friday we will continue with the estimates of the Department of Agriculture.

Mr. Churchill: Would you not want to take the second reading of the crown corporation bill and the exchequer court bill tomorrow?

Mr. Favreau: Yes, and this goes to prove that I am not an egoist. I thank the hon. member for reminding me of my own bill to amend the Exchequer Court Act. We will proceed with second reading of that bill and the second reading of the bill authorizing crown corporations to pay certain provincial fees and taxes.

Mr. Churchill: Those two bills will be taken first, and then the others that you announced?

Mr. Favreau: Yes, thank you.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

INQUIRY OF THE MINISTRY—DUTIES OF SECRETARY OF STATE

Mr. Deputy Speaker: In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore, the question is that this house do now adjourn. The hon. member for Joliette-L'Assomption-Montcalm.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, on April 28, I asked the Prime Minister a question that I shall repeat today in order to get a reply.

As the Minister of Justice (Mr. Favreau) was chosen by the Prime Minister as lieutenant of the Quebec Liberals, could the Prime Minister tell the house what will from now on be the exact duties of the hon. member for Outremont-St. Jean (Mr. Lamontagne) in that field?

Mr. Speaker, the recent appointment of the Minister of Justice (Mr. Favreau) as lieutenant of the Quebec Liberals is in my humble opinion, an insult to the Secretary of State (Mr. Lamontagne) who, as everyone knows, has devoted himself so much to his party, especially while his party was in opposition, because he was the one who was deciding his party's centralizing policy.

Well, Mr. Speaker, it seems that the Minister of Justice stands as an official lieutenant of the Quebec Liberals and that the Secretary of State stands as a non-official one; moreover, according to comments made by certain newspapermen—

Mr. Prud'homme: Is it Mr. Balcer who wrote that?

Mr. Pigeon: The Minister of Forestry (Mr. Sauvé) stands as a semi-non-official lieutenant.

Mr. Prud'homme: Did Mr. Balcer say that?

Mr. Pigeon: Mr. Speaker, I rise on a point of order. I should like you to ask the hon. member for St. Denis to be more polite in the house and to stand up whenever he wishes to ask a question.

Besides, he is not even in his seat. He should learn the rules of the house before interrupting.

When the Prime Minister appointed the Minister of Justice, the Quebec people thought they had finally an official spokesman for the claims and rights of Quebec. But the Prime Minister preferred the theory of co-operative federalism to that of autonomy. Everyone knows what Mr. René Lévesque, minister of natural resources, thinks of it because not long ago he disallowed co-operative federalism, saying that it was a sort of plaster on a wooden leg.

The Minister of Justice disappointed the province of Quebec when he advised the Quebec people to stop claiming their rights and talk rather of their responsibilities.

The people of Quebec are grumbling more and more since the Minister of Justice told his compatriots to stop talking about their rights and to think only of their obligations. As I said a moment ago, you have only to read over what Mr. René Lévesque thinks of the theory of this new Quebec leader.

Mr. Prud'homme: That is Mr. Balcer.

Mr. Pigeon: Such being the case, Mr. Speaker, we do not know what to think. The people of the province of Quebec are without a spokesman at this time, because you have the Secretary of State, who seems to have more power than the others, the Minister of Justice, who refuses to take his responsibilities, and the minister of forests, who said recently, in front of witnesses, that he was the one chiefly responsible for the masterful agreements reached with the province of Quebec.

We would greatly appreciate an answer, and we regret that the Prime Minister is not in the house now to furnish it himself.

I would at least ask one of the two parliamentary secretaries to do it. If need be, I grant them permission to share the three minutes to try and give us an adequate reply so that we may finally know what the situation is.

Mr. Prud'homme: Demagogy.

Hon. Yvon Dupuis (Minister without Portfolio): Mr. Speaker, we have just heard the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon)—the inevitable member for Joliette-L'Assomption-Montcalm—who spoke of official leader, non-official leader, semi-non-official leader and, who—and it is a habit with him—tried to confuse things which are indeed quite clear in the minds of all the people in the province of Quebec.

Instead of speaking of men of the calibre of the person who holds the position of Secretary of State today and of men of the calibre of the person who is Minister of Justice—

Mr. Pigeon: Minister of Forestry.

Mr. Dupuis: —I would advise the hon. member for Joliette-L'Assomption-Montcalm to think of the precarious future of Sir Georges Étienne Balcer.

Mr. Speaker, to impress further the hon. member for Joliette-L'Assomption-Montcalm who is surely blind I will tell him that since

the Liberals came to power the function of Secretary of State has become one of the most important in the federal administration. I will remind him—

Mr. Pigeon: That is a compliment—

Mr. Dupuis: I have the floor.

I should like to remind him that during the Conservative administration the secretary of state had very limited responsibilities and that when Mr. Dorion was secretary of state this was said to him at the time his estimates were being considered: Stay in your office and sit tight, Dick Bell will answer for you.

Things have somewhat changed since then.

Mr. Pigeon: It is the Minister of Transport who is piloting the redistribution bill.

Mr. Dupuis: I will explain to the hon. member for Joliette-L'Assomption-Montcalm the duties of the present Secretary of State who is a French Canadian from Quebec and who does honour to his province and to his country.

The Secretary of State is the keeper of the great seal and Registrar General of Canada; he is responsible for Canada's official documents and is entrusted with the application of the Companies Act. He must answer for the national printing bureau and acts as official election reporting officer before the house. In addition, he must look after copyrights, trade marks and patents. The bureau for translations comes under him—

Mr. Deputy Speaker: Order, I regret to have to interrupt the minister—

Mr. Dupuis: Mr. Speaker, may I point out that the hon. member for Joliette-L'Assomption-Montcalm was saved by the bell.

[*Text*]

DOMINION-PROVINCIAL RELATIONS—INQUIRY AS TO ESTABLISHMENT OF SECRETARIAT

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, the other day I put a question to the Minister of Justice based on a few words I had heard in the morning before the afternoon sitting.

The question I directed to the minister was as follows:

Did the minister say yesterday in Montreal that the federal government has set up in the privy council office a secretariat which will look after federal provincial relations?

The minister answered:

Mr. Speaker, I do not usually interpret my speeches but for more security I shall be pleased to send a copy thereof to the hon. member.

Mr. Speaker, first of all, I want to point out that I have not asked for an interpretation; I merely asked for an answer and I hope that the minister, this evening, will understand my feelings in those circumstances.

On the other hand, Mr. Speaker, I have read the speech of the minister in both official languages of this country.

[*Text*]

And having asked the minister if he had declared in Montreal the day before I posed the question whether or not he said the government had established a secretariat for federal-provincial affairs under the direction of the Prime Minister in the privy council offices, I then looked at the minister's speech, and I quote from his speech in Montreal in which he said:

In this respect I deem it a source of great hopes that a federal-provincial affairs secretariat is now established—

And I underline the words "is now established"

—within the privy council office under the jurisdiction and direction of the right hon. Prime Minister.

I asked the question because today, as always, federal provincial relations are of great importance. Having read the minister's speech I then made an inquiry in the privy council offices, and what did I find? I found that one official in that office is, today, responsible for federal-provincial relations. This official is already occupied as an assistant secretary to the cabinet; therefore he can only devote a small part of his time to important questions of federal-provincial relations.

Mr. Speaker, along with other hon. members in this house, when I think of a secretariat for federal-provincial affairs, I think of a more sophisticated type of secretariat, the type that we might find in the resources field; a fully staffed secretariat, not reporting to one member government but to the council of ministers. The minister says the federal government has established a secretariat for federal-provincial affairs. No wonder he did not want to answer my question. What do I find? I find there is one part time official under the right hon. Prime Minister's direction in the privy council offices. No wonder Mr. René Lévesque in the province of Quebec is becoming disillusioned by the spirit of co-operative federalism displayed by the federal government, whose centralizers persist in talking about co-operative federalism but do not practice what they preach. Again I say, Mr. Speaker, that upon investigation after the minister's declaration in Montreal, I find there is only one part-time official working on federal-provincial affairs in the privy council

offices. The minister says the federal government has established a secretariat for federal-provincial affairs, and I have quoted from his speech.

Today federal-provincial relations in Canada are worse than they have ever been before in the history of our country. We must improve co-ordinating bodies. I have suggested time and time again the immediate establishment of a secretariat for federal-provincial affairs at the Prime Minister's and premiers' level. I am not arguing the case for provincial rights or more centralization; I am only underlining the need for consultation. The minister states that a secretariat has been established, but in fact one has not been established. When will this government learn its lesson? Its whole economic program has foundered on the rocks, because they talk of consultation and sophisticated consultative bodies but do absolutely nothing about it. No wonder people like Mr. Lévesque think that co-operative federalism is just a myth that will not work. He must realize that here in the government the centralizers have surrounded the Prime Minister and they do not mean what they say about co-operative federalism. How else could the minister have said that a secretariat has been established when, again I repeat, only one part-time official is working on the problem. I say again, Mr. Speaker, that the government must put this problem—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, as is well known, the present government attaches great importance to federal-provincial relations. One way to facilitate these relations is to establish a joint secretariat. This matter was raised at the earliest possible moment; it was raised at the November meeting with the provinces here in Ottawa, and it was discussed again at the recent federal-provincial conference in Quebec city. There it was felt that this matter should be approached a step at a time; each province should set up its own group. The Prime Minister indicated at that time that the federal government would also establish its own secretariat immediately. It has now been done, and a small unit comprised of several full time officials—

Mr. Grafftey: That is wrong. There is one part-time official.

Mr. Davis: —and known as the provincial relations secretariat is being formed in the privy council office. It reports to the Prime Minister himself. This new secretariat, in addition to advising the Prime Minister, will perform a co-ordinating and servicing role, not an executive one or an operational one. It will not displace such units as are responsible for those aspects of federal-provincial relations which fall clearly within the jurisdiction of the different departments.

I have here, Mr. Speaker, the terms of reference of this unit and I will simply skim through them. They are as follows:

1. To keep in touch with, review, and bring to the attention of the Prime Minister, ministers or departments any aspects or implications of present or proposed government policies which would be of interest or concern to the governments of the provinces;
2. To participate in departmental or interdepartmental consultations and studies;
3. To provide a point of co-ordination and information on activities of the various federal government departments responsible for particular aspects of federal-provincial relations;
4. To provide a central point of contact to the provinces;
5. To assist in federal-provincial consultation and negotiations, as directed by the Prime Minister from time to time;
6. To provide a secretariat for cabinet and interdepartmental committees on federal-provincial relations; and
7. In relation to federal-provincial conferences:
(a) to co-ordinate preparations and to provide the secretariat for federal-provincial conferences;
(b) to develop procedures, in consultation with other departments concerned;
(c) to attend ministerial or other federal-provincial conferences;
(d) to assist other departments in respect of other arrangements and preparations for federal-provincial conferences and meetings.

It is hoped, Mr. Speaker, that the provinces individually will make similar arrangements. The province of Quebec established a department of federal-provincial affairs in 1960.

Mr. Deputy Speaker: Order. I must interrupt the parliamentary secretary as his time has expired.

AGRICULTURE—CHEESE—INQUIRY AS TO EXPORT ASSISTANCE

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, the reason I rise this evening is owing to the incident yesterday with regard to a question asked on agriculture. I see the Minister of Agriculture is not in the chamber, being I suppose unavoidably absent, but I note that his parliamentary secretary, the hon. member for Peel, is present and I will direct my remarks to him.

The question reads as follows, as reported at page 3117 of *Hansard*:

With regard to his change in policy whereby the Minister of Agriculture has withdrawn the 30 cent subsidy paid by the government to the producers of cheese milk, will it now become compulsory and statutory that the cheese factories pay the cheese milk producers the 30 cents per

hundredweight, since the government now proposes to pay the cheese factories a subsidy of 3.6 cents per pound for first grade cheddar cheese?

When that announcement was made by the Minister of Agriculture on April 29 that was the first thought which came to my mind, representing the interests of the cheese milk producers in my area. This also applies to similar areas of production represented by members of this house. This is a matter about which the government should be alarmed. That is why I asked in my question why the government does not make this compulsory and statutory so as to ensure that the farmer will still receive the same amount of subsidy, and therefore the same price, for his 100 pounds of milk as he did under the former administration and under the measures followed thus far by this government.

I am asking this question for further reasons. First of all, a factory which produces the average grade, which runs from 75 to 85 per cent No. 1 cheddar cheese, will receive 3.6 cents for the first grade. This would enable the factories to pay the farmer—and mathematics must rule in this case—scarcely 25 cents a hundred bonus for his milk, because only a part of the milk purchased is producing No. 1 cheese.

If they continue to pay the farmer 30 cents the factory would then be losing money on this arrangement. Second, a factory retailing ungraded cheddar cheese—and we have them in this country, particularly in eastern Canada—is not helped to receive the 3.6 cents per pound from the government because its cheese is not graded, and so this factory cannot pay the farmer any bonus for his milk. Therefore the change of policy announced by the minister indicates to me that he is leaving the farmer high and dry.

The minister says to the cheese factory: "We will pay you 3.6 cents per pound for all the No. 1 cheese you can produce, and you pay the farmer whatever deal you can make with him." That is the interpretation which is being placed on the minister's announcement.

The cheese industry is as nearly competitive with all other facets of the dairy industry as it has ever been, and many of the other interests in this industry would like to see cheese cheaper. Many of these other interests in the dairy industry would like to see cheese selling at a lower price. There is this friction between these interests in the industry, and cheese should not be used as a barometer nor as a lever. Once the government abandons one good measure of assistance, the cheese-milk producer and the small cheese factory sink that much more into oblivion, and this cannot be allowed to happen.

[Mr. Alkenbrack.]

If I have any more minutes left, Mr. Speaker, I would like to speak of the cheese subsidy which has been so successfully employed to build up our export business in the last couple of years. One thing we should remember in our export policy is that high production and high prices very seldom coincide. For the last four years, total exports of cheese have increased and prices have advanced four cents per pound. This is a most unusual condition in the marketing of any type of merchandise. Removal or reduction of the export subsidy could adversely affect this trend.

Also, in respect of a small section of our dairy industry—and I refer to the Ontario cheese producers association, this section of the dairy industry which is still farmer controlled—the Canadian cheese marketing board has done a good job in the exporting of cheese, and it is only because it has done a good job that their supports are endangered and may be reduced. On the other hand, if they had not done a good job it is possible a seven cents subsidy might be required at the present time to export surplus cheese.

Larger production of cheese has been forecast for Canada during 1964, and to throw this production on the English market at a higher cost would jeopardize the future of the export business. The export subsidy is only on that part of cheese production that is exported, but the subsidy on butter is for the total production. The export subsidy as it exists at present must be maintained.

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is my opinion that the hon. member introduced two questions, the first being as to why the government does not make it statutory that the assistance of 3.6 cents per pound on cheese now being paid be paid direct to the producer. I suppose I would be justified in saying it would be a matter of government policy as to whether or not it would become statutory and, if it were to become statutory, it would be announced in due course.

In defence of the policy that has been announced, which indicates we will pay 3.6 cents on No. 1 cheddar cheese, it must be understood that you get approximately nine pounds of cheese out of 100 pounds of milk. If you multiply 3.6 by 9 you find it comes to something like 32.4 cents per 100 pounds of milk. This was more than was paid last year, so in fact nothing was taken away from the farmers. The assistance to the milk producers has always been paid through the milk suppliers, and this assistance will be paid by the distributors in exactly the same way.

The hon. member has also raised a question with regard to export assistance on cheese. I

think I should make it clear that this was never intended to be a subsidy on the export of cheese, but rather government assistance for the export of cheese which would enable our exporters to compete on foreign markets from the point of view of price. I have a statement to present at this time.

Up until 1961 export assistance was not paid on cheddar cheese. Rather the board, when the price of cheese dropped to the support level, took physical possession of the cheese and then or later, depending upon market conditions, offered it for export or to the domestic market at what was considered to be the best price obtainable. The difference between the support level and the price at which the board offered it for export could be considered to be the measure of export assistance. At the same time the Ontario cheese producers marketing board was subsidizing cheese into Great Britain through the use of funds provided by a levy of 1 cent per pound on all cheese marketed in Ontario.

In 1961 the level of Canadian cheddar cheese prices in Great Britain was such that the Ontario cheese producers marketing board was having difficulty financing, with its own resources, the export of cheese. The agricultural stabilization board then owned fairly large quantities of cheese bought under the support program.

Mr. Deputy Speaker: Order. I have to interrupt the hon. member as his time has expired.

Motion agreed to and the house adjourned at 10.24 p.m.

HOUSE OF COMMONS

Wednesday, May 13, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. RONDEAU—FRENCH TRANSLATION OF REMARKS OF MEMBER FOR MARQUETTE

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise on a question of privilege concerning a matter which constitutes an insult to all members and to the House of Commons.

Yesterday, members of our group came in the house with miniature flags. And as reported in the newspapers, the hon. member for Marquette (Mr. Mandziuk) cried out that we had no right to display such rags in the house. Everybody here heard perfectly the hon. member at that time.

My question of privilege is to the effect that in yesterday's *Hansard*, on page 3317 of the French edition, in the right-hand column, the statement of the hon. member for Marquette has been changed and the word rag replaced by the word flag. I feel that the hon. member should have the courage to maintain his stupid remarks, since he had the odious courage to make them.

[*Text*]

Mr. Speaker: In the absence of the hon. member concerned the matter will have to be put aside or delayed. In any event, I do not see any question of privilege here. If anything it is a complaint.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AMATEUR SPORT COMMISSIONER

Question No. 307—**Mr. Beaulé:**

1. Does the Minister of National Health and Welfare intend to appoint a commissioner for amateur sport in Canada?

2. Does the minister intend to defray all the expenses incurred by the Canadian Olympic teams representing this country aborad?

Miss LaMarsh: 1. It is not the intention to appoint a commissioner for amateur sport in Canada.

The Fitness and Amateur Sport Act provides for a national advisory council on fitness and amateur sport of 30 members to advise the Minister of National Health and Welfare. With the advice of this body the minister works in co-operation with and aids fitness and amateur sport groups but does not attempt to control their activities. Any regulatory official for sports would have to be appointed by the sports bodies concerned.

2. Under the fitness and amateur sport program, assistance is provided to help finance the cost of sending Canadian teams to Olympic games. Grants are made only to the Canadian co-ordinating agency which, in the case of Olympic games, is the Canadian Olympic association, with the amount given not exceeding one half of the travel expenses of approved team personnel at economy rates, one half of reasonable living expenses while outside of Canada, and the cost of necessary transport for sports equipment.

The Canadian Olympic association has received $123,000 under the program to assist in sending Canadian teams to the 1964 Olympic winter and summer games, as well as $63,000 to assist in sending Canadian teams to the 1963 Pan American games. In addition, the national sports governing bodies being represented at these games have received financial assistance to hold national championships and pre-Olympic trials leading to these international games.

RESULTS OF NATIONAL DEFENCE REORGANIZATION

Question No. 347—**Mr. Latulippe:**

1. Has the reduction in the defence budget of the United States affected in any way defence installations in Canada and, if so, in what way?

2. Following the reduction of expenditures and the reorganization in the Department of National Defence, (a) which military installations were affected (b) what was the reduction in each case (c) what personnel were affected and (d) what steps were taken in order to find new jobs for the civilians involved?

[*Translation*]

Answer: 1. The reduction in the United States defence budget had no apparent effect on defence establishments in Canada.

Questions

2. (a), (b) and (c):

Military establishments affected	Approximate reduction of expenditures	Personnel involved Military	Civilian
Royal Canadian Navy			
Naval supply depot, Lynn Creek, Vancouver North, B.C.	$ 275,000	1	38
Munition depot, Kamloops, B.C.	400,000		150
Naval armament depot, Longueuil, Que.	560,000		176
Fort Pepperrell, Newfoundland	1,657,000	10	221
Point Edward Naval Base, Sydney, N.S.	2,743,000	2	440
10 auxiliary ships	370,000		70
Escort repair ship H.M.C.S. *Cape Breton*	225,000	190	
10 mine sweepers	1,350,000	430	
3 destroyers	2,499,000	675	
2 naval reserve air squadrons:	250,000		
Victoria, B.C.		3	
Toronto, Ont.		15	
Naval reserve division	887,000		
H.M.C.S. *Queen Charlotte,* Charlottetown, P.E.I.			
H.M.C.S. *Prevost,* London, Ont.			44
H.M.C.S. *Queen,* Regina, Sask.			
H.M.C.S. *Nonsuch,* Edmonton, Alta.		4	
H.M.C.S. *Chatham,* Prince Rupert, B.C.			
H.M.C.S. *Kitchener* supply ship, Kitchener, Ont.			
Canadian Army			
Northwest road system	9,499,000	392	569
Fort Churchill, Man.	4,764,000	443	272
Hagersville, Ont.	654,000	58	238
Royal Canadian Air Force			
Churchill	91,000	90	7
Resolute Bay	50,000	51	13
Vancouver	424,000	231	159
Calgary	1,138,000	260	275
Saskatoon	722,000	123	45
Hamilton	170,000	62	30
St. Hubert	141,000	73	37
Torbay	1,081,000	245	140
St. Sylvestre	1,500,000	160	75
Parent	1,500,000	167	66
Edgar	1,500,000	150	81
Beaverbank	1,500,000	171	73
Uplands (testproving central establishment)	445,000	137	
Rockcliffe	292,000	127	32
Penhold	1,600,000	495	105
Grostenquin	1,540,000	643	
Auxiliary units	2,545,000	153	
Mid-Canada Line (western section)	6,500,000	39	
Air Defence Command (reduction of aircraft allotment at various bases)	2,400,000	382	

(d) The following action was taken to help civil staff in finding new jobs.

(i) Close liaison has been established with the Department of Labour, the national employment service and the civil service commission in the search for new jobs, inside and outside the public service.

(ii) Close co-operation also with the other government departments in order to determine if there are vacant jobs which would suit surplus personnel.

(iii) Action was taken to have surplus employees fill on the spot the required documents for their transfer by the national employment service.

(iv) The surplus personnel to be reassigned is taken into account in departmental recruiting.

(v) Personal interviews are given to surplus employees to inform them of the advantages at their disposal and to find out their preferences in respect to acceptance of another position.

(vi) The required authorization had been obtained to help the employees who have attained the level above the first promotion grade and having five years service or more to pay their moving expenses when they are transferred to another place of work in the public service.

(vii) The necessary authorization has been requested and obtained for employees who wish to do so to retire at age 50 with an actuarial adjustment.

(viii) In the case of employees who qualified for special duties in the department, consideration will be given to the possibility of paying all moving expenses.

(ix) A program has been established under which young employees liable to be laid off will replace employees enjoying an extension after the normal retirement age.

[*Text*]

FAWZIA AMIR HANKO—DEPORTATION ORDER

Question No. 427—**Mr. Latulippe:**

1. Has a deportation order been issued against Fawzia Amir Hanko of Montreal and, if so, when will it be carried out?

2. If not, has such an order been requested and, if so (a) by whom (b) for what reason (c) when was it requested?

3. Is the Department of Citizenship and Immigration now considering deportation orders and, if so (a) how many (b) against whom are they directed (c) what are the reasons for each such order?

4. Were any persons deported during the last five years following requests for such orders and, if so, how many?

Mr. Badanai: 1. Yes, but under special authority vested in the Minister of Citizenship and Immigration in section 8 of the Immigration Act, Mrs. Hanko has been authorized to remain in Canada on a temporary basis for one year and her case will again be reviewed at the expiration of that period.

2. Not applicable.

3 and 4. Yes. See attached table. It is the policy of the government not to divulge the names of persons against whom deportation orders have been issued.

DEPORTATION ORDERS ISSUED BY CAUSE AND DISPOSITION

1 Jan. 1958—31 March 1964

SITUATION AS OF 28 APRIL, 1964

Cause for issuance of deportation order	Ordered deported	Deportation order quashed or appeal allowed	Deportation effected	To be deported when practicable	Deportation suspended	Awaiting decision
Criminality	2,929	80	1,905	176	683	85
Mental and physical	631	31	420	20	141	19
Illegal entry	2,069	131	1,623	4	212	99
Non-compliance with regulations	2,222	264	1,784	2	153	19
Not bona fide immigrants or non-immigrants	2,492	109	2,356	—	25	2
Persons accompanying deports	934	128	583	4	193	26
Others	1,470	59	1,370	1	34	6
Totals	12,747(1)	802	10,041(1)	207	1,441	256

NOTE (1)—Includes approximately 6,400 persons refused admission when applying at Canadian Immigration ports of entry and who were returned to the United States.

SOURCE: Department of Citizenship and Immigration.

PRE-CONFEDERATION DISCUSSIONS, NOVA SCOTIA AND NEW BRUNSWICK

Question No. 487—**Mr. Macquarrie:**

Is it the intention of the Secretary of State to include the fullest available record of the Charlottetown conference of 1864 in his projected volume on pre-1867 confederation discussions of Nova Scotia and New Brunswick?

Mr. Lamontagne: The intention of the government is to assemble as much official and useful information as possible on pre-confederation debates. This would include debates in Nova Scotia, and New Brunswick, and records of the Charlottetown conference of 1864.

* FEED OATS AND BARLEY PRICES

Question No. 603—**Mr. Vincent:**

What was the price of (a) No. 1 feed oats, in Montreal, for the week of the 15th of each of the following months: September, October, November and December 1963; and January, February and March of 1964 (b) No. 1 feed barley, at Montreal, for the week of the 15th of each of the following months: September, October, November and December of 1963; and January, February and March of 1964?

Mr. Beer: Wholesale to retail prices per hundredweight, after deduction of freight and storage assistance, basis on track Montreal for the middle week of each month.

	(a) No. 1 feed oats	(b) No. 1 feed barley
September, 1963	2.39	2.30
October	2.44	2.48
November	2.44	2.45
December	2.43	2.42
January, 1964	2.47	2.46
February	2.46	2.41
March	2.47	2.43

PRODUCTION OF F-104 PLANES FOR GREECE AND TURKEY

Question No. 816—**Mr. Brewin:**

1. Are 120, or any similar number of F-104's being (a) produced, or (b) assembled at Canadair Limited, Montreal for delivery to Greece and Turkey under any mutual aid program for NATO allies in Europe?
2. What is the cost to Canada of its share in the program for delivery of such planes to (a) Greece (b) Turkey?
3. What are the numbers of planes to be delivered under any such program to (a) Greece, and (b) Turkey?
4. What is the anticipated date of delivery of the planes to (a) Greece (b) Turkey?
5. What is the range in miles of such planes?
6. For what type of armament are the planes to be fitted?
7. Is such armament conventional or nuclear?
8. Are there any limitations or means of control of the employment of such planes by Greece and Turkey respectively?

Mr. Hellyer: 1, 2, 3, 4, 5, 6, 7.

On June 12, 1961, Canada and the United States concluded an agreement under which F-104G aircraft, support equipment and spares to the value of U.S. $200 million were to be procured in Canada. Of the total costs, the U.S. government was to pay $150 million and the Canadian government $50 million. It was agreed that the aircraft produced under this arrangement would be used to meet Canadian mutual aid contributions to NATO and U.S. military assistance program requirements. According to most recent estimates, it is expected that this sum will cover the production of approximately 140 aircraft; the figure of 120 was an earlier estimate. Delivery of aircraft from the production line is still in its early stages, and it is not expected that production will be completed until October 1965.

In late 1961, the Canadian government agreed that title to all aircraft produced under this program should be vested in the United States. An understanding was reached whereby the U.S., having title, would decide the allocation of the aircraft, taking into account Canadian views. Arrangements have since been made for the total production to be divided into two categories; aircraft purchased in Canada for the United States military assistance program, and aircraft produced for presentation to NATO countries as a joint Canada-United States program of assistance to NATO countries. Such aircraft as have been delivered to date all fall into the former category. No decision has as yet been taken concerning the countries which will receive F-104G aircraft under a joint Canada-United States program of assistance to NATO countries.

The technical specifications of these aircraft are classified military information.

8. In the event that it is decided to allocate to Greece and Turkey any of the aircraft produced under the latter program, the normal conditions attached to Canadian mutual aid would apply, viz., that recipient countries will use any materiel they receive to strengthen the capacity of NATO to deter or resist aggression.

GRANTS TO N.S. AGRICULTURAL EXHIBITIONS

Question No. 820—**Mr. Crouse:**

Is the government considering the re-instatement of grants to Nova Scotia agricultural exhibitions which have been discontinued due to the government instituted austerity program?

Mr. Hays: The entire question of federal assistance to fairs and exhibitions is under consideration at the present time. It is anticipated that a statement on government policy on this matter will be made shortly.

Questions

APPLICATIONS FOR CABLE TELEVISION SERVICE

Question No. 827—**Mr. Cowan:**

How much time was necessary to process through the Department of Transport from the dates of receipt of the applications to the dates of the issuance of letters of authority for the following licensed CATV companies: Cottagers Security and Service Ltd., Minden; Louis M. Najeau, East Broughton; Harry Ronson, Dorchester; Western Cable TV Limited, Woodstock, Ont.; Norman Pare, Waterville; Columbia Cablevision Ltd., New Westminster, B.C., Metro Videon, Pinawa, Man.; H. P. Whiskin, Mesachie Lake, P.Q; Neighbourhood Television, Ltd., Collingwood, Ont.; Famous Players Canadian Corporation Ltd., Scarborough, Ont.; Video Corporation Ltd., Ile Bizard, P.Q.; and Rediffusion Incorporated, Hazeldean, Ont.?

Mr. Pickersgill: The length of time involved in processing each of the following CATV applications by the Department of Transport was as follows: Cottagers Security and Service Ltd., Minden, 7 months, 13 days; Louis M. Nadeau, East Broughton, 3 months, 22 days; Harry Ronson, Dorchester, 3 months, 24 days; Western Cable TV Limited, Woodstock, Ont., 2 months; Norman Pare, Waterville, 1 month, 17 days; Columbia Cablevision Ltd., New Westminster, B.C., 3 months, 12 days; Metro Videon, Pinawa, Man., 26 days; H. P. Whiskin, Mesachie Lake, P.Q., 2 months, 21 days; Neighbourhood Television Ltd., Collingwood, Ont., 2 months, 7 days; Famous Players Canadian Corporation Ltd., Scarborough, Ont., 3 months, 1 day; Video Corporation Ltd*., Ile Bizard, P.Q., 2 months, 2 days; Rediffusion Incorporated, Hazeldean, Ont., 1 month, 4 days.

*Tel-Video (Canada) Inc. was the first licensee.

APPLICATIONS FOR WINTER CONSTRUCTION BONUS, BEAUCE COUNTY, QUE.

Question No. 842—**Mr. Perron:**

1. How many residents of Beauce county have applied for the $500 winter housing construction bonus and what is the name of each?
2. How many persons applied directly to the government?
3. How many persons obtained the bonus through a contractor?
4. To whom were such bonuses paid?

Mr. MacEachen: 1, 2, 3, 4. The date of final inspection on housing units constructed under the winter house building incentive program was April 15, 1964 and statistical tabulations respecting the program as a whole are not yet available.

TECHNICAL TRAINING—FEDERAL CONTRIBUTIONS TO CAPITAL COST

Question No. 861—**Mr. Basford:**

1. For the fiscal year 1963-64 (a) by provinces, how many applications were approved under the Technical and Vocational Training Assistance Act for financial assistance to the capital cost of training facilities (b) what is the amount of federal contribution to be paid to each province under the above approved applications (c) which applications, and the federal contributions to be paid under each one, were approved for the province of British Columbia (d) were any applications from the province of British Columbia refused (e) are any applications from the province of British Columbia awaiting approval?
2. Under the formula for the equitable distribution among the provinces of federal contributions under the Technical and Vocational Training Assistance Act for financial assistance to the capital cost of training facilities, how much has already been paid, or agreed to be paid, to each province, expressed both in dollars and as a percentage of the total amount each province is entitled to receive under the formula, and how much remains to be paid or agreed to be paid to each province under the formula?

Mr. MacEachen: 1. (a) Five hundred and fifty nine applications or submissions were approved from April 1, 1961 to March 31, 1964, 46 of which were approved during April 1, 1963 to March 31, 1964.

	Total no. of capital projects from Apr.1/61-Mar. 31/63	Total no. of capital projects approved Apr. 1/63-Mar. 31/64
Newfoundland	15	—
Prince Edward Island	6	2
Nova Scotia	14	1
New Brunswick	14	1
Quebec	87	14
Ontario	259	19
Manitoba	56	1
Saskatchewan	8	—
Alberta	33	6
Brtish Columbia	19	2
Yukon Territory	1	—
Northwest Territories	1	—
	513	46

(b) The federal contribution to each province with respect to 1(a) is:

	Apr. 1/61-Mar. 31/63	Apr. 1/63-Mar. 31/64
	$	$
Newfoundland	21,055,075	358,250*
Prince Edward Island	2,065,555	609,413
Nova Scotia	7,191,629	462,500
New Brunswick	4,792,504	957,849
Quebec	23,743,419	6,426,321
Ontario	200,089,747	7,126,619
Manitoba	4,934,802	45,931
Saskatchewan	8,224,611	143,220
Alberta	36,994,715	1,059,299
British Columbia	13,585,168	1,265,444
Yukon Territory	682,796	3,561*
Northwest Territories	64,800	3,000

* Cancelled or revised submissions.

Questions

(c) The following applications concerning buildings and equipment were approved for British Columbia during 1963-64: British Columbia vocational school, Burnaby, $38,620; North Vancouver technical vocational secondary school, $416,200; Point Grey junior senior secondary school, Vancouver, $346,616; Kootenay school of art, $250; British Columbia vocational school, Victoria, $1,000; British Columbia vocational school, Nanaimo, $19,477.

(d) No.

(e) The following applications from British Columbia requesting a 75 per cent federal contribution have been held pending the amendment of the technical and vocational training agreement to permit a 75 per cent federal share: British Columbia vocational school, Nanaimo; Gladstone junior senior high school, Vancouver; John Oliver junior senior secondary school, Vancouver; Vancouver technical school.

The amended agreement has gone to the provinces for signature.

2.

	* Max. fed. contr. at 75% based upon $480 per capita (15-19 yr. age group)	Appr. fed. contr. (or commitment) to capital projects Apr. 1/61-Mar. 31/64	Appr. fed. contr. as % of max. at 75%	Amount of fed. contr. available at 75%
	$	$		$
Nfld.	21,037,900	20,696,825	98.3	341,075
P.E.I.	4,260,000	2,674,968	62.8	1,585,032
N.S.	30,834,700	7,654,129	24.7	23,180,571
N.B.	25,686,700	5,750,353	22.4	19,936,347
Que.	224,364,400	30,169,740	13.4	194,194,660
Ont.	209,703,800	207,216,366	98.3	2,487,434
Man.	33,987,800	4,989,733	15.0	29,007,067
Sask.	34,974,700	8,367,831	23.3	26,686,869
Alta.	47,521,900	38,054,014	80.3	9,467,886
B.C.	54,073,400	14,850,612	27.4	39,222,788
N.W.T.	815,500	67,800	8.3	747,700
Y.T.	679,235	679,235	100.0	

* When this limit is reached federal contribution returns to 50 per cent.

RECOMMENDATIONS OF JOINT INDIAN AFFAIRS COMMITTEE

Question No. 863—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) Indian and non-Indian children who are legally adopted should assume the status of their adoptive parents.

(b) The status and membership rights of illegitimate children should conform, where possible, to provincial laws.

(c) The term "enfranchisement" should be deleted from the act.

(d) Indian women who marry non-Indians should not receive a per capita share of band funds for a period of five years, but retain the right to return to their reserve in the intervening period."?

Mr. Badanai: (a), (b), (c) and (d) These recommendations would require legislation to implement with relevant changes in existing provisions of the Indian Act. A review of the Indian Act is proceeding as quickly as sound and thorough consideration will permit with the objective of submitting appropriate amendments.

RECOMMENDATIONS OF JOINT INDIAN AFFAIRS COMMITTEE

Question No. 864—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) The Indian Act should be amended to formally recognize lawful possession of land held by an Indian for 20 years and also to permit band councils to allocate land on a conditional basis.

(b) Designated band councils should be authorized to issue leases of reserve land for a period not exceeding five years without a surrender and/or approval of the minister.

(c) The Indian affairs branch should withdraw from the management of lands held by an individual Indian who should be enabled to lease his land himself for designated purposes.

(d) The Indian Act should be amended to clearly indicate the word "surrender" is confined to sale of land.

(e) As the present provisions of section 88 of the act bar many Indians from ordinary sources of credit, the section should be amended to permit individual Indians to waive the protection afforded as regards their personal property; and band revenue funds should be subject to attachment in respect of judgments for damages and unfulfilled contracts."?

Mr. Badanai: (a), (b), (c), (d) and (e) These recommendations would require legislation to implement with relevant changes in existing provisions of the Indian Act. A review of the Indian Act is proceeding as quickly as sound and thorough consideration will permit with the objective of submitting appropriate amendments.

RECOMMENDATIONS OF JOINT INDIAN AFFAIRS COMMITTEE

Question No. 866—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) Greater responsibility should be placed upon Indian bands in matters of credit.

(b) Band councils should be enabled to take adequate security on loans with the right to foreclose in case of default.

(c) Where a band does not have sufficient funds for loaning purposes, a system of making secured loans to bands for re-loan to band members should be instituted.

(d) An appropriate penalty should be provided in the Indian Act for misuse of band funds by band councils."?

Mr. Badanai: (a), (b), (c) and (d) These recommendations would require legislation to implement with relevant changes in existing provisions of the Indian Act. A review of the Indian Act is proceeding as quickly as sound and thorough consideration will permit with the objective of submitting appropriate amendments.

FRENCH PROGRAM, STATION CJBC, TORONTO

Question No. 875—**Mr. Hales:**

1. How many letters and telephone calls has the C.B.C. radio station CJBC Toronto received from its listening audience since it introduced its present limited French program?

2. How many of these letters are favourable?

3. How many are unfavourable?

Mr. Lamontagne: I am informed by the Canadian Broadcasting Corporation as follows:

1. Since it introduced French language programming in April 1962 radio station CJBC at Toronto has received a total of 1,143 pieces of correspondence and 608 telephone calls concerning the change in programs.

2. 587 letters, 76 telephone calls.

3. 556 letters, 532 telephone calls.

SHED NO. 1, CHICOUTIMI

Question No. 889—**Mr. Côté (Chicoutimi):**

1. Was Agences Maritimes Inc. moved from shed No. 1 in the port of Chicoutimi and, if so, did the company lose some important customers since this move who declined to store their goods under poor conditions?

2. Is there a plan to raise the floor of this shed so that goods stored in it will not be flooded by tides?

3. Will a night watchman be employed to protect all the sheds in the port of Chicoutimi?

4. Have the premises formerly occupied by Agences Maritimes Inc. been rented and, if so, to whom?

[*Translation*]

Answer: The national harbours board advises as follows:

1. Agences Maritimes Inc. moved from shed No. 2 to shed No. 1. We have no knowledge of any loss of business resulting from the change in shed locations.

2. No.

3. No.

4. Shed No. 2 is under lease to Allied Chemicals of Canada Limited.

[*Text*]

C.B.C. FILM ON SEAL HUNTING

Question No. 900—**Mr. Latulippe:**

1. Has the Minister of Fisheries received complaints from a representative, or representatives, of the Montreal society for the prevention of cruelty to animals, or from anyone else, protesting that the C.B.C. cut sequences from the seal hunting film and, if so, (a) how many complaints were received (b) what reply was made by the C.B.C.?

2. Is the C.B.C. authorized to do its own censoring?

3. What steps have been taken to prevent a recurrence of such cases?

[*Translation*]

Answer: 1. (a) and (b) The C.B.C. did not receive any protests to that effect and no answer was therefore needed.

2. The C.B.C. was entrusted by parliament with the operation of a national radio and television broadcasting service. Because of these terms of reference, the corporation is entitled to choose and evaluate the programs broadcast on its various channels. This responsibility is not to be delegated to any outside body.

[*Text*]

USE OF FRENCH AT NATIONAL DEFENCE HEADQUARTERS

Question No. 910—**Mr. Caouette:**

1. Is the Minister of National Defence aware that his department located on Elgin street uses English only as a working language and that employment cards of the personnel are written in English only?

2. Will the minister ensure that French is used for French speaking employees?

[*Translation*]

Answer: 1. The Minister of National Defence is aware of the working conditions prevailing at national defence headquarters.

2. French is used where there are French speaking employees. Circulars, communications and letters which are of interest to them as individuals are distributed in French as well as in English. Various forms have been published, either with a bilingual text

or, separately, in both languages. When stocks are out of print so that it would be necessary to renew them, all forms which should be filled in or signed by the civilian personnel will be bilingual or printed separately in French and in English.

[*Text*]

APPLICATIONS FOR WINTER CONSTRUCTION BONUSES, QUEBEC

Question No. 923—**Mr. Latulippe:**

1. How many applications received from the province of Quebec and the constituency of Compton-Frontenac were approved in connection with the $500 premium paid under the winter housing program?
2. How many applications were sent directly to the government by individuals?
3. How many applications were sent by contractors?

Mr. MacEachen: 1, 2, 3. The date of final inspection on housing units constructed under the winter house building incentive program was April 15, 1964 and statistical tabulations respecting the program as a whole are not yet available.

UNFILLED PROVISIONS OF INDIAN TREATIES

Question No. 926—**Mr. Howard:**

What action has been taken with respect to the recommendations of the committee of inquiry, appointed on June 25, 1959, to inquire generally into all matters arising out of unfulfilled provisions of treaties 8 and 11 as they applied to Indians of the Mackenzie district?

Mr. Badanai: The recommendations of the committee of inquiry are under serious study with a view to enabling the government to adopt a course of action which will be in the best interests of all the individuals concerned.

REFINED SUGAR CONSUMPTION

Question No. 931—**Mr. Jorgenson:**

1. What has been the total annual consumption of refined sugar in Canada for the past five years?
2. What has been the consumption per month for the past two years?

Answer: 1. Annual consumption of refined sugar in Canada during the past five years as measured by refiners' sales and imports, but excluding wholesale and retail inventory changes, is as follows:

	Refiners' sales and imports of refined sugar
	'000 lb.
1959	1,682,102
1960	1,702,608
1961	1,741,370
1962	1,819,633
1963	1,766,473

2. Monthly consumption of refined sugar in Canada during the past two years as measured by refiners' sales and imports but excluding wholesale and retail inventory changes was as follows:

	1962 '000 lb.	1963 '000 lb.
January	123,204	140,904
February	130,725	126,980
March	138,008	148,954
April	120,060	126,360
May	157,726	185,353
June	169,688	117,250
July	190,931	157,691
August	175,300	167,420
September	163,689	179,950
October	196,141	172,186
November	132,188	112,800
December	121,965	130,628

RETIREMENT OF R.C.A.F. OFFICERS

Question No. 934—**Mr. Thompson:**

1. What is the number of R.C.A.F. officers who were recently forced into premature retirement?
2. What was the rank, and the average length of service of those officers both on short service and permanent commissions?
3. How and when does the government intend to compensate these officers for (a) loss of pension (b) loss of salary?
4. Why were these officers discharged without any indication of compensation arrangements?
5. What is the amount of financial loss, both in pension and pay, to a flight lieutenant who has been forced into retirement two years before the normal retirement at 20 years of service?
6. What are the plans of the government to assist in the rehabilitation of those officers forced to retire who are over 40 years of age?
7. What are the plans of the government for the early retirement of "surplus" senior officers?

Answer: 1. The number of R.C.A.F. officers who were advised that they are to be prematurely retired is 534.

2. Rank	Average service
Permanent commission	
Flight lieutenant	19.8 years
Flying officers	23.4 years
Short service commission	
Flight lieutenant	8.5 years
Flying officer	7.5 years

3. The government is providing a special financial benefit plan to assist officers in re-establishing themselves.

4. All officers being released prematurely have been advised of this special financial benefit plan.

5. Pension is based on 2 per cent of the average pay and allowances during the highest continuous six years of service for each year of pensionable service. Subject to approval of parliament no reduction will be made in the annuity calculated on this basis because of early retirement. The financial loss, if any,

would depend on circumstances including the salary of his civil position following retirement.

6. In addition to the financial compensation referred to above, normal assistance will be given through the present R.C.A.F. rehabilitation program. This service is supplemental to the national employment service.

7. Integration and eventual unification will result in reductions in the over-all strengths of the armed forces but it is not possible to detail at this time the exact extent of such reductions in relation to rank structure.

*OPENING OF AIRPORT TERMINAL, LONDON, ONT.

Question No. 936—**Mr. Irvine:**

1. What is the target date for completion of the new airport terminal building at London, Ontario?
2. What is the proposed official opening date?
3. Will there be an official reception at the time of opening as there was in Toronto?
4. Will the local members of parliament be invited to attend?

Mr. Cantin: 1. The estimated completion date of the new airport terminal building at London, Ontario is August 31, 1964.

2. The official opening will take place approximately one month after the completion of the building.

3. No plans have yet been developed for the official opening of the terminal building.

4. It is the normal practice to invite the local members of parliament to this function.

INDUSTRY BRIEFS TO TARIFF NEGOTIATING COMMITTEE

Question No. 937—**Mr. Latulippe:**

1. In regard to Canada's participation in the Kennedy round of commercial negotiations which will begin in Geneva on May 4, how many briefs were submitted by Canadian industry to the Canadian committee on customs tariffs and trade?
2. Which companies, groups, or individuals submitted briefs?
3. What are the main ideas contained in these briefs?

[*Translation*]

Answer: 1. Up to May 1, 1964, 285.

2. The Canadian committee on customs tariffs and trade was set up by the government to receive briefs from companies whose interests may be affected by the trade negotiations which will be held shortly. The committee has indicated that the briefs will be considered as confidential. Consequently, it is not possible to divulge the names of the companies, groups or individuals who have submitted them or their contents. The chairman of the committee informs me that the response has been most encouraging up until now.

3. See No. 2 above.

[Mr. Thompson.]

[*Text*]

CANADA-JAPAN MINISTERIAL COMMITTEE

Question No. 947—**Mr. Basford:**

1. How many meetings in 1963 and 1964 have been held by the Canada-Japan ministerial committee, and at what times were such meetings held?
2. When, and at what place, is the next meeting planned?
3. During the fiscal year 1963-64, how many Canadian trade missions or visits were made to the Orient, and what are the details thereof?
4. For the 1964-65 fiscal year, what trade missions and visits are presently planned to the Orient, and the details thereof?

Answer: 1. Two meetings. In Tokyo on January 11 and 12, 1963 and in Ottawa on September 25 and 26, 1963.

2. At the September meeting the committee accepted the invitation of the Japanese government to hold the next meeting in Tokyo. The time of the meeting will be decided by consultation between the two governments.

3. During the fiscal year 1963-64 two trade missions visited the Orient. These were:

(a) Consulting engineering mission to south-east Asia, this was a small reconnaissance mission designed to explore prospects for the employment of Canadian consulting engineering services and engineering equipment in these areas. The three consulting engineers who made up this mission membership met with officials of government agencies and private firms to discuss contemplated projects and long term capital development plans in Malaysia, Taiwan and Thailand from February 2 to March 24, 1964.

The engineering firms who participated in the mission reported on different specialty fields such as power and river basin resources; pulp and paper; irrigation and drainage; water supply and sewerage; industrial engineering; transportation facilities; harbours and docks; and engineering for the mining industry.

This was one of three missions undertaken to explore foreign requirements for Canadian consulting engineering services and engineering equipment.

(b) Fisheries technical mission to Japan, this mission conducted an on the spot investigation into the production and marketing procedures of Japanese fisheries from March 24 to April 4, 1964. During the tour of Japan the mission members visited the Japanese federal fisheries agency, diversified fish plants, fishing ports, manufacturers of fishing gear and equipment and wholesale and retail fish markets.

The mission membership included the assistant deputy minister of industry and commerce, province of Quebec, the deputy

minister of fisheries, province of New Brunswick and the chief of the fisheries division, Department of Trade and Commerce, Ottawa.

4. During the fiscal year 1964-65 the two trade missions planned to visit the Orient have now departed. These missions are:

(a) Air industries trade mission to Japan, Australia and New Zealand, this mission was organized to promote products in all areas of the Canadian aeronautics industry. The eleven man membership included representatives from manufacturers of aircraft, aircraft engines, airborne communications systems, airborne navigation systems and component parts.

The mission's primary objective is to assist the Canadian aircraft manufacturing industries to increase their long term sales of civil and military aircraft and aeronautical equipment to the countries visited. Discussions with top government, military and business leaders enabled the mission members to learn of existing and future aircraft requirements and aeronautical programs in Japan, Australia and New Zealand.

The Japanese sector of the mission itinerary lasted from May 9 to 17 during which time meetings were held in Tokyo and Nagoya.

(b) Oilseeds mission to Japan, this nine man mission studied the Japanese market for oil seeds during a two week tour which lasted from April 18 to May 2.

The membership was comprised of seven top executives of Canadian grain companies and pools, a representative of the prairie regional laboratories of the national research council and a member of the Department of Trade and Commerce.

The mission members visited Japanese oil seeds importers, processing plants, associations and research establishments in Tokyo, Kyushu, Osaka and Hiratsuka to explore sales of Canadian oilseeds to Japan and to become acquainted with Japanese market preferences.

CONSTRUCTION OF PENAL INSTITUTION, SPRINGHILL, N.S.

Question No. 960—**Mr. Coates:**

1. What is the estimated target date for beginning of construction of the young offenders penal institution at Springhill, N.S.?

2. Is the estimated cost of construction of this institution $4,500,000, or has that estimated cost increased?

Mr. Deschatelets: 1. Late summer of 1964.

2. Initial estimated cost of $4,500,000 was based on preliminary plans and when site conditions were unknown. It is now possible to estimate that the cost of construction will be close to $7 million.

Questions

AWARDS UNDER FITNESS ACT

Question No. 961—**Mr. Coates:**

1. How many postgraduate scholarships and fellowships were made available to Canadians under the Fitness and Amateur Sport Act and what was the total cost of the awards?

2. How many postgraduate scholarships and fellowships were made available, to residents of Nova Scotia under the abovementioned act and what was the total cost of the awards?

Miss LaMarsh: 1. Canada—

	Number	Amount
1962-63	39	$ 71,448
1963-64	80	135,901
1964-65	108	175,000 (approx.)

2. Nova Scotia—

	Number	Amount
1962-63	1	$4,558
1963-64	4	7,500
1964-65	1	2,000

ARDA PROJECTS, CUMBERLAND CONSTITUENCY, N.S.

Question No. 964—**Mr. Coates:**

1. How many projects have been proposed for the constituency of Cumberland under ARDA and what is the nature of the proposals?

2. How many of the proposed projects have been approved by the federal government?

3. What is the estimated cost of each project and what is the federal government's share of the proposed expenditure?

Answer: 1. One. Establishing and maintaining a community pasture known as Minudie community pasture, five miles west of Amherst in Cumberland county.

2. One.

3. Total shareable cost, $30,000; federal share, $15,000.

BRIDGE OR TUNNEL STUDY, VANCOUVER AIRPORT

Question No. 969—**Mr. Pritie:**

Has the Department of Transport or any agency of the federal government requested the department of highways of British Columbia to share in the cost of a study concerning the advisability of building a new bridge or tunnel to connect the city of Vancouver and Sea island, the site of the Vancouver international airport and, if so, who has been commissioned to carry out the study and when is a report expected?

Mr. Pickersgill: At the request of the department of highways of British Columbia the Department of Transport has agreed to share in the cost of a study of traffic and technical problems involved, and have commissioned the firm of Phillips Barrett and partners to undertake this study and a report is expected in about six months time.

RIVER POLLUTION FOLLOWING MACTAQUAC DAM CONSTRUCTION

Question No. 975—**Mr. MacRae:**

Has the Department of National Health and Welfare been requested to report on the result

of the effects of possible pollution on public health in the lower Saint John river valley following the building of the Mactaquac dam?

Miss LaMarsh: No. However in 1960, through the public health engineering division of the Department of National Health and Welfare technical assistance was provided to the New Brunswick water authority in carrying out a water evaluation survey of the Saint John river basin. Results of the investigation were covered in Survey Report—Effects of Pollution, Saint John River, 1960. In 1963 further assistance was provided in a study of the lower Kennebecasis river, lower Saint John river and Saint John harbour. A report on this latter study is now under preparation.

COST OF TRAINING R.C.A.F. PILOT

Question No. 977—**Mr. Knowles:**

What was the approximate cost of training a pilot for the Royal Canadian Air Force in each of the following years (a) 1943 (b) 1953 (c) 1963?

Mr. Hellyer: (a) $32,000; (b) $54,000; (c) $85,000. These costs include aircraft operating costs, military personnel and station support costs.

FARM CREDIT CORPORATION LOANS

Question No. 981—**Mr. Korchinski:**

1. How many loans were granted by the Farm Credit Corporation in each of the provinces during the past year?
2. How many of these loans in each of the provinces were in the following categories: less than $10,000; between $10,000 and $15,000; between $15,000 and $20,000; and between $20,000 and $27,000?

Mr. Hays: 1. The Farm Credit Corporation advises that the number of loan approvals in each of the provinces for the fiscal year 1963-64 were as follows: British Columbia 355; Alberta 2,043; Saskatchewan 2,332; Manitoba 625; Ontario 1,796; Quebec 1,221; New Brunswick 83; Nova Scotia 74; Prince Edward Island 155; Newfoundland 5.—Total 8,689.

2.

	Less than $10,000	$10,000 but less than $15,000	$15,000 but less than $20,000	$20,000 to $27,500
B.C.	58	81	111	105
Alberta	576	693	487	287
Sask.	1,115	686	359	172
Manitoba	258	193	123	51
Ontario	463	555	412	366
Quebec	486	373	225	137
N.B.	43	20	10	10
N.S.	37	14	8	15
P.E.I.	113	25	12	5
Nfld.	1	2	-	2
National	3,150	2,642	1,747	1,150

FARMERS IN CANADA

Question No. 982—**Mr. Korchinski:**

1. How many farmers are there in Canada?
2. How many farmers are there in the following categories: 0 to 100 acres; 100 to 200 acres; 200 to 300 acres; 300 to 400 acres; 400 to 500 acres; 500 to 600 acres; 600 to 700 acres; 700 to 800 acres; 800 to 900 acres; 900 to 1,000 acres; 1,000 to 1,500 acres; and over 1,500 acres?
3. What is the average capitalization of each of the above categories?

Answer: 1. The census of agriculture provides information on the number of farms. In the 1961 census, a farm was defined as an agricultural holding of one acre or more with sales of agricultural products during the past 12 months of $50 or more. The number of farms in Canada on June 1, 1961 was 480,903. A considerable number of these farms are occupied by persons employed principally in occupations other than agriculture.

2. Number of farms by selected size groups, Canada, 1961—

Size group	Number of farms
Under 70 acres	67,183
70-239 acres	204,159
240-399 acres	82,626
400-559 acres	44,764
560-759 acres	31,860
760-1,119 acres	27,642
1,120-1,599 acres	13,091
1,600 acres and over	9,578

3. Average capital value of farms classified by size group, Canada, 1961—

Size group	Average capital value per farm
Under 70 acres	$ 17,052
70-239 acres	20,936
240-399 acres	24,627
400-559 acres	30,037
560-759 acres	37,104
760-1,119 acres	46,758
1,120-1,599 acres	61,911
1,600 acres and over	113,468

AGRICULTURAL MUSEUM GRANTS

Question No. 999—**Mr. Watson (Assiniboia):**

1. How many agricultural museum grants were made in 1961, 1962 and 1963?
2. To what organizations were they made in each of the years 1961, 1962 and 1963?
3. What was the name of the museum, and the amount each of the agricultural museums received in the years 1961, 1962 and 1963?

Mr. Hays: 1. One each in 1961, 1962 and 1963.

2. and 3. The western development museum, Saskatoon, Saskatchewan, received $6,000 in each of the three years, 1961, 1962 and 1963.

INVITATIONS TO AGRICULTURE MINISTER, SKEENA CONSTITUENCY

Question No. 1,002—**Mr. Howard:**

Has the Minister of Agriculture been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Hays: No.

INVITATIONS TO VETERANS AFFAIRS MINISTER, SKEENA CONSTITUENCY

Question No. 1,004—**Mr. Howard:**

Has the Minister of Veterans Affairs been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Teillet: No.

INVITATIONS TO FISHERIES MINISTER, SKEENA CONSTITUENCY

Question No. 1,007—**Mr. Howard:**

Has the Minister of Fisheries been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Answer: No.

INVITATIONS TO DEFENCE MINISTER, SKEENA CONSTITUENCY

Question No. 1,013—**Mr. Howard:**

Has the Minister of National Defence been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Hellyer: No.

INVITATIONS TO ASSOCIATE DEFENCE MINISTER, SKEENA CONSTITUENCY

Question No. 1,014—**Mr. Howard:**

Has the Associate Minister of National Defence been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. Cardin: No.

INVITATIONS TO ACTING REVENUE MINISTER, SKEENA CONSTITUENCY

Question No. 1,016—**Mr. Howard:**

Has the Acting Minister of National Revenue been invited to attend any function or visit any place in the electoral district of Skeena for 1964, and, if so, with respect to each such invitation, by whom was the invitation given, for what function or purpose, at what time or times, and has it been (a) accepted or (b) declined?

Mr. McIlraith: No.

INCOME TAX APPEALS, ROUYN AREA

Question No. 1,025—**Mr. Laprise:**

1. How many appeals did the income tax appeal board receive from taxpayers living in the area served by the Rouyn income tax office during 1960, 1961, 1962, 1963 and 1964?
2. In how many cases did the appellant succeed?
3. How many of these appeals were made as a result of the appellants' charitable donation receipts having been partly or wholly rejected?
4. In what proportion of these cases did the board rule in favour of the taxpayer?

Mr. McIlraith: 1. 1960, nil; 1961, nil; 1962, nil; 1963, four; 1964, one.

2. None of the cases appealed have so far been heard by the tax appeal board.

3. One.

4. See answer to 2 above.

*LAND FOR C.B.C. BUILDING, MONTREAL

Question No. 1,026—**Mr. Valade:**

1. On what date will the city of Montreal hand over the land needed for the construction of the Canadian Broadcasting Corporation buildings in the eastern part of Montreal?
2. When is the construction of these buildings supposed to start?
3. Have there been any changes in that respect and, if so, for what reasons?
4. Will the land be used for parking purposes during the 1967 world exhibition?

[*Translation*]

Mr. Lamontagne: The Canadian Broadcasting Corporation advises me as follows:

1. Under the agreement entered into by the city of Montreal and the C.B.C., the land must be handed over to the corporation on October 1, 1964, at the latest.

2. The construction of these buildings is expected to start in the fall of 1965.

3. No.

4. The part of the land not used for the C.B.C. buildings will be available for parking purposes during the 1967 world fair and even as early as 1964.

[*Text*]

*PLANS FOR C.B.C. BUILDING, MONTREAL

Question No. 1,027—**Mr. Valade:**

1. Have the final plans for the construction of the buildings of the Canadian Broadcasting Corporation in the eastern part of Montreal been accepted and, if so (a) what is the approximate cost of the work (b) which architects drew up the plans?
2. What was the procedure followed in choosing the architects?
3. What were the fees paid or to be paid?

[*Translation*]

Mr. Lamontagne: The Canadian Broadcasting Corporation informs me as follows:

1. No.
2. C.B.C. architects are preparing the plans.
3. None.

[*Text*]

RETURN OF CITIZENSHIP FEE TO MRS. JOSEPH BUCKIE

Question No. 1029—**Mr. Howard:**

With respect to the answer given on May 4 to starred question No. 721, are any steps being taken to return the $1 fee paid by Mrs. Joseph Buckie under section 10 (3) of the Canadian Citizenship Act and, if so, what are those plans?

Mr. Badanai: No.

*CLOSING OF R.C.E.M.E. WORKSHOP, REGINA

Question No. 1,039—**Mr. Pascoe:**

Following the government's decision to close the R.C.E.M.E. workshop in Regina, what policy has been established for displaced civilian personnel in regard to (a) re-employment elsewhere (b) possible benefits from the retirement fund into which the workers have contributed (c) severance pay for classified civil servants and for hourly paid workers?

Mr. Cardin: (a) Before separation every effort is made to place those affected in vacancies which are available in the immediate area or in other areas. The services of the civil service commission and the national employment service are used in an attempt to obtain alternative employment for the employees. If the employees are placed on lay-off the national employment service and the civil service commission make every attempt to place them in a suitable position of the same class or an equivalent class with the same maximum salary. The department may also pay up to $500 removal assistance if a suitable position is located outside the designated area of lay-off and the transfer meets departmental regulations.

(b) Employees on lay-off who are aged 50 or over and who are contributors to the public service superannuation account with five or more years of pensionable service are eligible to apply for an actuarial equivalent of the deferred annuity to which they would ordinarily be entitled at age 60. Employees aged 60 or over are entitled to an immediate annuity payable under the Public Service Superannuation Act.

(c) Classified civil servants on lay-off are entitled to retiring leave or gratuity equivalent to one week of salary or leave for each complete year of service. Prevailing rate employees have no entitlement to retiring leave or gratuity.

[Mr. Valade.]

LOBSTER TRAP LOSSES, NORTHUMBERLAND STRAIT

Question No. 1,041—**Mr. Coates:**

Has the Minister of Fisheries been informed of the substantial lobster trap losses in the Northumberland strait as a result of ice conditions and, if so, what action has his department taken to assist in this regard?

Answer: Yes. However, investigation by field officers revealed damage was not as serious as at first believed.

*SAVINGS UNDER DAIRY POLICY

Question No. 1,044—**Mr. Ricard:**

Has the dairy policy established by the government in April, 1963 had the effect expected of it, namely, a saving of $6 million?

Mr. Beer: The dairy policy established by the government in April, 1963, has had the following results:

(a) Has increased producer returns. The dominion bureau of statistics reports that the farm cash income from dairy products for 1963 showed an increase of $15,301,000 over 1962.

(b) This policy brought consumption and production essentially into balance; thus during the support year butter production in Canada totalled 352 million pounds while disappearance totalled 357 million pounds.

(c) This policy resulted in estimated government expenditures, other than those associated with the accumulated surplus, of $45 million compared with $56.8 million for 1962-63.

*FRENCH AND ENGLISH LESSONS FOR CIVIL SERVANTS

Question No. 1,045—**Mr. Ricard:**

As of April 16, 1964 (a) how many French speaking civil servants were taking English lessons, and (b) how many English speaking civil servants were taking French lessons; the lessons in both cases being those given under government auspices in an effort to increase civil servants' knowledge of the two languages?

Mr. McIlraith: As of April 16, 1964, there were 39 French speaking civil servants attending English language courses sponsored by various government departments, and 421 English speaking civil servants attending French language courses. These courses are being expanded to meet the increasing requirements of the service.

CONTROL OF AIRCRAFT USED IN SEAL FISHERY

Question No. 1,056—**Mr. Tucker:**

Has the government given any consideration to the establishment of a more rigid system of control on the operators of aircraft, (fixed and rotating wing) which participate in the prosecuting of the seal fishery in the gulf of St. Lawrence and off the coast of Newfoundland?

Answer: The whole matter of sealing operations, including the use of aircraft, is presently under serious consideration and it is expected that before the opening of the 1965 sealing season more restrictive regulations will be in effect.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ARDA—PROJECTS APPROVED AND REJECTED

Question No. 850—**Mr. Peters:**

1. Under the ARDA program, what projects were approved, by provinces, in 1963 and in the first three months of 1964?
2. What was the cost of each project approved by ARDA, and the details of the projects approved?
3. What projects have been rejected in the same period, and what was the reason the proposed plans were rejected by ARDA?

Return tabled.

APPEARANCES OF MARCEL CHAPUT ON C.B.C.

Question No. 914—**Mr. Matheson:**

1. What official or officials of the C.B.C. invited Marcel Chaput, the author of "Why I am a Separatist" to participate in each of the following French network radio and television programs, namely (a) Radio network (French): June 8, 1961 "Place Publique"; November 17, 1961 "Rondpoint"; December 26, 1961 "Rondpoint"; December 29, 1961 "Rondpoint"; December 7, 1961 "Partage"; February 15, 1962 "Place Publique"; February 28, 1962 "Metro-Magazine"; January 17, 1962 "Rondpoint"; August 6, 1962 "Metro-Magazine"; September 25, 1962 "Metro-Magazine"; December 18, 1962 "Partage du matin"; July 23, 1963 "Partage du matin"; August 29, 1963 "Partage du matin" (b) television network (French); November 15, 1960 "Carrefour"; November 20, 1961 "Carrefour"; December 9, 1962 "Tribune Libre"; March 18, 1963 "Aujourd'hui"; April 23, 1963 "Aujourd'hui"; May 5, 1963 "Tribune Libre"; August 13, 1963 "Aujourd'hui"; August 23, 1963 "Conference de Presse"; January 18, 1964 "Champ Libre"; January 22, 1964 "Aujourd'hui"?
2. What invitations, if any, were extended by C.B.C. to the said Marcel Chaput to present his views to the radio network (English) and the television network (English), by whom and when?
3. Of the 30 C.B.C. radio and television programs produced in 1963 designed to foster and strengthen national unity (see question 456), were only the following available to French listeners, namely: (a) "Citizen Forum"—Confederation a Century Later—Does it Still Work (b) a special—The Johnson-Lesage Debate and, if so, for what reasons?

Return tabled.

MOTIONS FOR PAPERS

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, motion for the production of papers No. 119 is acceptable to the government, subject to the usual reservation that information relating to the affairs of individual taxpayers cannot be disclosed.

I understand that motion for the production of papers No. 120 is to be withdrawn.

Lack of Bilingual Committee Reporters

DISALLOWANCE OF CHARITABLE DONATION RECEIPTS, QUEBEC

Motion No. 119—**Mr. Langlois:**

That an order of the house do issue for a copy of all correspondence, letters, telegrams received by the Minister of National Revenue or his employees concerning charitable donation receipts disallowed during 1963 in the province of Quebec.

Motion agreed to.

CONSTRUCTION OF C.B.C. BUILDING, MONTREAL

Motion No. 120—**Mr. Valade:**

That an order of the house do issue for a copy of all correspondence exchanged between the federal government, the authorities of the city of Montreal, Central Mortgage and Housing Corporation, and the administrative authorities of the Canadian Broadcasting Corporation since April 1, 1963, concerning the construction of the buildings of that corporation in the eastern part of the city of Montreal.

Order discharged and motion withdrawn.

HOUSE OF COMMONS

LACK OF BILINGUAL COMMITTEE REPORTERS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, pursuant to paragraph (1) of standing order 26, I move the adjournment of the house to discuss an urgent and extremely important matter for the Canadian people.

Yesterday, Mr. Speaker, a committee of this house appointed to study a matter referred by the house itself met twice without being able to examine the matter. Twice, the committee on privileges and elections had to adjourn on account of a serious deficiency in the administration of this committee. I refer to the lack of French reporters. I do not want, in any way, to hold responsible for this lack of reporters the administration of committees whose staff is qualified and devoted, but I believe that the blame falls on the government which did not assume its responsibilities in due time.

If we are confronted today with a real bilingualism crisis in a committee of the house—and not the least, since the committee on privileges and elections is the first designated in the first paragraph of standing order 65—if we are confronted with such a crisis, I say that, in my opinion, it is due to the carelessness and inefficiency of this government which refused or neglected to find French reporters.

Mr. Speaker, it is not for you or me to go out into the street and ask passers-by if they are qualified as French official reporters; however, I think—and the house undoubtedly

feels the same way—that someone in the administration branch of our parliament and our government must be responsible for recruiting personnel needed by the house and its services.

That situation is not new, however. Last year that same committee on privileges and elections had to face a similar situation when the French official reporters were taken away while a serious matter was being discussed. And all the committees, last year as well as this year, are now without the services of French official reporters.

However, Mr. Speaker, the government approved recently the establishment of a commission which, by spending hundreds of thousands of dollars, conducts an inquiry on bilingualism across the country, while parliament itself is unable to establish bilingualism in its own house.

[*Text*]

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

Mr. Speaker: Order.

Mr. Knowles: On the point of order, Mr. Speaker, should it not be decided whether the motion is to be put before the hon. member speaks to it?

Mr. Speaker: The hon. member was giving reasons why the house should be adjourned under standing order 26. I understand he was just concluding his remarks.

Mr. Knowles: What a precedent.

[*Translation*]

Mr. Pigeon: Parliament itself is unable to establish bilingualism in its own house.

The committees of the house are part and parcel of the house and they are entitled to the same treatment as the house. In my opinion, bilingualism has the same rights during the meetings of committees as during the sittings of the house.

Consequently, Mr. Speaker, I move, seconded by the hon. member for the Northwest Territories (Mr. Rhéaume), that this important matter be referred immediately to parliament and that the house adjourn its normal business to consider at once the problem of bilingualism in the committees, especially the lack of official French reporters.

I learned from the chairman of the committee that he has secured the services of a reporter, on a temporary basis, but I do not think that this will improve the present situation since three committees are sitting at the present time and two standing committees of the house, which should have bilingual reporters, are without them.

[*Text*]

Mr. L. T. Pennell (Brant-Haldimand): Mr. Speaker, having regard to the fact that I have been distinctly alluded to in the comments of the hon. member may I say, as chairman of the committee, that if there is fault I accept the fault. I feel it is part of my responsibility as chairman, and if there has been a fault I accept it willingly.

Mr. Churchill: That does not cure it.

Mr. J. J. Greene (Renfrew South): On the hon. member's motion, Mr. Speaker, may I point out that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) and the hon. member for Three Rivers (Mr. Balcer), the so-called embryo leader of the French Canadian wing of the Conservative party, both voted against a motion to adjourn that committee until such time as French reporters could be found.

Hon. Léon Balcer (Three Rivers): On a question of privilege, Mr. Speaker, the reason we voted against the motion was that the motion was just a manoeuvre to use the scarcity of reporters in the French language to save the Liberal organizer from a very embarrassing position.

Mr. Caouette: Mr. Speaker—

Mr. Speaker: Order, please. This is not the time for debate until such time as the Chair either accepts or rejects the motion. May I point out that we are not dealing with the internal problems of the committee. We are dealing with a motion to adjourn the house under standing order 26.

Now, if I can have a little attention I will do my best to reach a decision on this motion. One of the criteria under standing order 26 is the urgency of debate. The matter has to be so important and the urgency has to be so great that the ordinary business of the house should be set aside in order to debate it.

I am well aware of what took place in the committee, though I would point out it was not brought to my attention until an hour after the committee had started to sit. I do think the Chair and the staff of the house are entitled to reasonable notice, and we could perhaps avoid similar incidents in the future.

In any event, the difficulty of getting qualified reporters is great, and certainly is well known to all members of the house. Steps have immediately been taken as of yesterday to secure two qualified reporters for the meeting of the said committee this afternoon. One has been graciously furnished by the other place, and the other has been secured by the Chair for this particular committee. But we recognize, of course, that this is a long term problem and steps are being taken, and have

been taken, to ensure that if any slip has taken place in the past it will be attended to immediately and will be corrected in the future. At the same time this whole problem has been referred to the committee on procedure and organization.

May I point out that during the last three years, with the increase in the number of parties in the house, with the tremendous increase in the use of French—and I am very glad to see it—in the House of Commons and in the committees, we are in the midst of changing conditions requiring different methods of treatment.

I am very much indebted to the hon. member for Joliette-L'Assomption-Montcalm for bringing this to the attention of the Chair even though the Chair is well aware of the problem, and I can assure the house that steps have been taken as of yesterday, and will be taken immediately, to correct what obviously is a flaw in our general committee set-up.

I do not think that we should take any more time of the house to debate this matter and in the circumstances, although I thank the hon. member for bringing this to the attention of the house, nevertheless I do not think the ordinary business of the house should be set aside at this time.

Mr. Pigeon: Mr. Speaker, I have only one question to ask. Is it your intention to submit this very important problem to the Secretary of State, who is responsible for this situation?

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I believe that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) is in error, which happens to him pretty often, because the employment of parliamentary reporters is not the responsibility of the Secretary of State but rather of the House of Commons.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, following the comment just made by the Secretary of State, I wish to remind him that this matter and this responsibility were assumed by his predecessor, the present Minister of Transport (Mr. Pickersgill).

I think Your Honour was quite right in pointing out that he was not given much time to remedy the situation which occurred yesterday in the committee on privileges and elections. On the other hand, Your Honour will recall that, on October 8 of last year, the then secretary of state, who is now the Minister of Transport, in reply to a question put to him by the hon. member for Quebec-Montmorency on that very matter, that is if bilingual reporters were to be assigned to the committees of the house, made the following statement—

[*Text*]

Some hon. Members: Order.

Mr. Speaker: Order. I am about to call orders of the day. Perhaps the hon. member could ask a question on the same subject, if it is pressing and urgent, at that time.

Mr. Martineau: Your Honour, I believe it would facilitate and expedite the business of the house—

Some hon. Members: Sit down.

Mr. Speaker: Order. May I point out to the hon. member that the motion has not been accepted and we have not anything before the house except the regular, ordinary business; so I am going to call orders of the day.

Mr. Eldon M. Woolliams (Bow River): On a point of order, Mr. Speaker, it seems to me, with the greatest respect to the Chair, that you came to the conclusion that the motion was out of order without giving any hon. members of this house a chance to discuss whether or not this was an urgent matter. Surely some hon. members would have liked to have set forth an argument to assist Your Honour in coming to the conclusion at which you did arrive this afternoon. It would seem that we were closed off in debate.

Mr. Valade: Grit arrogance again.

Mr. Speaker: Order, please. Acting on the very good suggestion of my learned friend, may I read standing order 26, subparagraph 1:

> Leave to make a motion for the adjournment of the house when made for the purpose of discussing a definite matter of urgent public importance must be asked after starred questions on Wednesdays and on other days after the ordinary daily routine of business, standing order 15(2), has been concluded.
>
> (2) The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.
>
> (3) He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order, and of urgent public importance, reads it out and asks whether the member has the leave of the house. If objection is taken, Mr. Speaker requests those members who support the motion to rise in their places and, if more than 20 members rise accordingly, Mr. Speaker calls upon the member who has asked for leave.

In reply to the hon. member for Bow River, several hon. members did have the opportunity to speak. I did not notice the hon. member take that opportunity when others were speaking. But in any event the

decision has been rendered, and I do not think we are justified in spending more time on the matter.

Mr. Martineau: On the point of order, Mr. Speaker, I would like to point out that the Secretary of State rose and stated that this was no concern of his. I think we should have the right—

Some hon. Members: Order.

Mr. Martineau: —to answer that particular assertion; and if Your Honour had allowed me the time, I had just about finished my statement.

An hon. Member: You are out of order, anyway.

Mr. Speaker: Order, please. The Chair must take its own responsibility, and the Chair has rendered a decision, good, bad or indifferent. The Chair is not disposed to change that decision. What the Secretary of State says is his responsibility, but in so far as the Chair is concerned, the matter is terminated. Orders of the day.

Mr. Martineau: Mr. Speaker, with regard to the motion raised—

Mr. Speaker: Order. The hon. member must realize that to enter into a constant debate is against our standing orders and against the custom and practice of the house. I am calling for the last time, if I can put it that way, orders of the day.

[*Translation*]

Mr. Réal Caouette (Villeneuve): I rise on a point of order, Mr. Speaker.

Your Honour has just mentioned that several hon. members have had the opportunity to speak on this matter. I was trying to say a few words before you gave your decision but we did not have the opportunity to express even briefly our opinion.

[*Text*]

Mr. Speaker: Order, please. I think this demonstrates the fact that when a ruling has been given it should be accepted by the house; or if not accepted, it should be put to a vote. I do not see that anything is to be gained at this time by continuing this discussion. The point of the necessity for more French speaking reporters has been clearly made. The reply has been to the effect that every endeavour will be made to secure extra reporters, and there I think the matter should rest. Orders of the day.

Mr. Grafftey: We have been told this for years, and nothing has been done about it.

An hon. Member: What about the six years you were in office?

[Mr. Speaker.]

Mr. Grafftey: It does not make any difference; it is not a party question.

EXTERNAL AFFAIRS

COMMUNIST CHINA—STATEMENT BY EXTERNAL AFFAIRS MINISTER RESPECTING RECOGNITION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the statement made yesterday in Paris to the NATO ministerial meeting by the Secretary of State for External Affairs means or is intended to signify or imply that Canada is about to recognize the government of communist China. Would the Prime Minister say whether the interpretation that has been given to the remarks of the minister is in accordance with the facts?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the statement was made yesterday at The Hague at a confidential session of the NATO council.

Mr. Woolliams: How can it be confidential?

Mr. Pearson: I have seen press reports of what the Secretary of State for External Affairs is supposed to have said, and they vary. I have also had the benefit of a report from The Hague as to what he said. I can assure my right hon. friend that in his statement in regard to the policy of this government with reference to China, the Secretary of State for External Affairs did not go beyond what was stated in this house in answer to a question on October 2, 1963, what he said in the house on November 28, 1963, and what he said in reply to two questions asked and answered on March 2 and March 23, 1964.

Mr. Diefenbaker: Mr. Speaker, for a completely secret meeting the report certainly was complete, even to the extent of quotation marks. I ask the Prime Minister whether this was just a case of kite flying, or does it represent a change of viewpoint on the part of the government of Canada.

Mr. Pearson: As I have already said, Mr. Speaker, it does not represent a change of viewpoint.

Mr. Diefenbaker: So it is kite flying.

NATO—CANADIAN POSITION RESPECTING MULTILATERAL FORCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Prime Minister a question relating to the NATO conference which is now going on at The Hague. I wonder if the

right hon. gentleman could tell us whether the question of setting up a multilateral force is on the agenda and if he can give the house some assurance that Canada will make no commitment with regard to such a force without consulting parliament.

Right Hon. L. B. Pearson (Prime Minister): Our policy with regard to this matter is well known, and it will not be changed as the result of any discussions at the current NATO council meeting.

DOMINICAN REPUBLIC—DEPORTATION OF HOLDER OF CANADIAN PASSPORT

On the orders of the day:

[*Translation*]

Hon. C. M. Drury (Acting Secretary of State for External Affairs): Mr. Speaker, last Monday the hon. member for Quebec-Montmorency (Mr. Marcoux) put the following question to the Minister of Citizenship and Immigration:

Is the minister aware that a person holding a Canadian passport has been deported from the Dominican Republic and, if so, what does his department intend to do in that respect?

As this question primarily concerns the Department of External Affairs, as acting minister of that department I take the liberty of providing an answer.

When the report published in the *Globe and Mail* of May 11 came to the attention of the Department of External Affairs, telegrams were sent to the Canadian ambassadors in Lisbon and Santo Domingo, asking them to investigate. When the department receives a report on this investigation I shall be pleased to give a more detailed answer to the question of the hon. member for Quebec-Montmorency.

[*Text*]

HOLLAND—REFUSAL OF ENTRY TO CANADIAN VOICE OF WOMEN PRESIDENT

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, yesterday the hon. member for Burnaby-Coquitlam asked if I had any information about the situation regarding a Canadian lady who was refused admittance to the Netherlands.

I am informed that the NATO authorities had nothing whatever to do with Mrs. Macpherson being denied entry to the Netherlands. The right of visa and entry, of course, lies completely within the jurisdiction of the country being visited. On this occasion the government of the Netherlands refused admission because it was ascertained by them that Mrs. Macpherson and other ladies were entering the Netherlands to take part in a political demonstration, which, in the view of the Netherlands government might lead to a breach of the peace during the NATO council meetings.

When our embassy in The Hague heard about this they intervened on behalf of Mrs. Macpherson and Mrs. Shapiro, another Canadian lady, and the two ladies know about the intervention in question. However, since that time the government of the Netherlands has changed its decision on this matter and these two ladies and the other ladies have been admitted to the Netherlands by that government.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister whether he is prepared to make a statement with reference to the government's assistance to the victims of the tidal wave disaster in the Alberni valley. Will the Prime Minister tell us what is now the estimated total of the damage, and what percentage of this the federal government is prepared to put up as compensation to the victims?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we have not yet received the details of the damage, but I hope to be able to make a statement tomorrow as to the amount that will be made available by the federal government to the sufferers in this disaster.

Mr. Douglas: Mr. Speaker, do I understand that the government has received the sum total of the damage? Has the federal government yet decided what percentage of the agreed amount they will be prepared to meet?

Mr. Pearson: I will make a statement tomorrow which will clear this matter up.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister say whether it is the intention, in addition to prorating the expenditures between the federal and provincial governments, of his government to give assistance by way of a contribution to the emergency fund? That is a matter aside from the pressing matter which is being discussed.

Mr. Pearson: Mr. Speaker, it is the intention of the government, as I said yesterday, to make a contribution to the emergency fund, and I will be able to announce the amount tomorrow.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

QUEBEC—FEDERAL PARTICIPATION IN PROVINCIAL STUDY OF INDEPENDENCE

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I want to ask the right hon. Prime Minister a question, which might perhaps seem a bit funny but which is really very serious under the circumstances.

Does the Canadian government propose to express its views before the parliamentary committee of the Quebec legislature, the creation of which was announced in the newspapers yesterday and today and which is going to make a comprehensive study of the repercussions of Quebec's independence?

[*Text*]

Mr. Speaker: Important though the question is, I think it is one for the order paper.

[*Later:*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Prime Minister a question in the same subject area as that raised by the hon. member for Villeneuve which you ruled out of order; and of course you have the right to pass judgment on my question. I should like to ask the Prime Minister whether he is considering taking any immediate public position with regard to the official endeavour of the Quebec legislature in studying factors relating to the separation of Quebec from Canada.

Mr. Speaker: It seems to me that the same conditions apply. Would the hon. member put this question on the order paper.

Mr. Fisher: I would ask to have it transferred for debate.

[*Later:*]

Mr. Heward Grafftey (Brome-Missisquoi): I have a question for the Prime Minister. Has the right hon. gentleman been in communication with Premier Lesage of Quebec since a member of the latter's government officially rejected the concept of co-operative federalism on behalf of the government of the province of Quebec?

Mr. Speaker: The question is important and it is very interesting, but I do not see what urgency attaches to it. Under our standing orders, as the hon. member well knows, a question may be asked only in respect of a matter of sufficient urgency and importance as to require an immediate answer. Consequently, perhaps the hon. member would put his question on the order paper.

[Mr. Pearson.]

FINANCE

PROPOSED ALTERATIONS IN WORLD MONETARY SYSTEM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a special and urgent question to the Minister of Finance. Has the minister any information of immediate interest and concern to the members of this house with respect to the participation by the Canadian government in the search for international monetary liquidity, stability and agility?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I think in reply to a question from my hon. friend the other day I stated that Canada has been participating in the studies that have been conducted by the so-called group of ten are under the auspices of the international monetary fund. I said in answer to a question that Mr. Plumptre, the assistant deputy minister of finance, had been representing Canada. I hope to attend a meeting that will be considering this matter in June. At the annual meeting of the international monetary fund and the world bank in Tokyo in September —I think the dates are from the 7th to the 11th—I hope Canada will be represented by myself, by the governor of the Bank of Canada and by Mr. Plumptre.

PROCEDURE RESPECTING REFUNDS OF SALES TAX

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I have a question for the Acting Minister of National Revenue. Can the hon. gentleman now tell the house when his department intends to issue a statement regarding simplified procedures in applying for refund of the 8 per cent tax on building materials used in the construction of educational institutions? I should like to ask him, further, whether the refund will now apply also to churches.

Mr. Speaker: Would the hon. member put his question on the order paper?

Mr. Pascoe: With all deference, when I last asked this question the minister promised to give an answer soon.

Hon. G. J. McIlraith (Acting Minister of National Revenue): I am happy to be able to relieve the anxiety of the hon. member by telling him that the regulations were amended yesterday and the instructions for obtaining refunds under the new formula in connection with educational institutions are being distributed today. As to the second part of the question, I do not believe it is possible, though

I shall have to check my answer, for the Minister of National Revenue to make the change in the law which would be required; it is covered by statute.

Mr. Pascoe: Where can we obtain copies of this simplified form?

Mr. McIlraith: I would be happy to provide one to the hon. member and to any other hon. members who may wish to have them.

TRADE

COMMUNIST CHINA—EXPORT TO CANADA OF TEXTILE PRODUCTS FOLLOWING WHEAT SALE

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I would like to ask the Minister of Trade and Commerce a question. With regard to the new sale of wheat to communist China under the second long term agreement, could the minister tell us whether it is correct that Canada will receive, each year, $7 million worth of Chinese textiles?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, the new sale of wheat to China which I announced the other day is within the framework of the long term agreement which I announced in the house on August 2, 1963. Under that agreement there are no Canadian undertakings about the volume of Chinese textile sales to Canada. It was recognized, and I stated at that time, that it is in our mutual interest to provide the Chinese state trading corporation with an opportunity to maintain and develop their market in Canada for various items, subject to appropriate safeguards to avoid market disruption. In this connection the Chinese state trading corporation—not the Canadian government but the Chinese state trading corporation—have undertaken to limit their exports of sensitive items, including textiles to Canada to a total limit of $7 million annually.

WHEAT—PROBABLE CONTINUATION OF SALES TO RUSSIA

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I wish to address a question to the Minister of Trade and Commerce and ask whether his attention has been drawn to a statement made by deputy chairman Mikoyan of the Soviet union to a group of Canadian businessmen that sales of wheat to Russia would likely continue for many years. If so, have the Russians indicated that the flour content of such sales would be maintained?

Hon. Mitchell Sharp (Minister of Trade and Commerce): I thank the hon. gentleman for bringing this interesting information to my attention. I have not as yet received any indication such as has been given to the businessmen of Canada that the Russians are about to buy more wheat. I hope it is true, and I hope they buy more flour.

[*Later:*]

Mr. K. H. More (Regina City): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has his department taken or is it taking any immediate action to check on the accuracy of the reported statement of Mikoyan to see what enlarged scope there may be for greater sales of Canadian wheat in the interests of the wheat growers of Canada?

Mr. Speaker: Order. It seems to me this is a question for the order paper.

CANADIAN FLAG

NUMBER OF DESIGNS SUBMITTED TO GOVERNMENT

On the orders of the day:

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, some time ago, or more exactly on April 17 last, the hon. member for Joliette-L'Assomption-Montcalm asked how many flag designs had been submitted to this government since it came to power. I shall answer him that we received 624 designs from April 22, 1963 to April 24, 1964.

Mr. Pigeon: Mr. Speaker, I would like to ask the Secretary of State a supplementary question. Could he tell the house whether it is true that the choice of two flags was discussed and decided in the Liberal caucus today?

Mr. Lamontagne: No, Mr. Speaker.

[*Text*]

BUSINESS OF THE HOUSE

DELAY IN TRANSLATION OF EXTERNAL AFFAIRS COMMITTEE PROCEEDINGS

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to direct a question to the Secretary of State. In view of the fact that the committee on external affairs has been sitting for almost a month and a half in order to study the Columbia river treaty, and since the proceedings of several sittings have already been published in English, would the Secretary of State tell us why we do not receive those documents in French?

Inquiries of the Ministry

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, as I said on several occasions, the work of the bureau for translations has increased considerably, especially in the last few months. We are now making all possible effort to get more staff, and I am sure that the present staff is doing all it can to supply translations as soon as possible.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State. Can he tell us whether the salary scale offered by the federal government in the field of bilingual reporters, translators and interpreters can be the cause of the delay in the efforts of his department to solve this problem? Can he also tell us whether the salaries offered by the federal government are higher than those offered by private industry?

[*Text*]

Mr. Speaker: It seems to me that this is a question which the Secretary of State could hardly be expected to reply to in detail on short notice. As the hon. member well knows, all these salaries are under careful consideration at the present time.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I ask that this question be discussed at ten o'clock, after the adjournment of the business of the house.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I wish to put a supplementary question to the Secretary of State. Could he tell the house whether he will place all the facilities of his department at the disposal of Mr. Speaker in order to ensure the presence of French and English reporters at the meetings of the committees of the house, as promised by his predecessor on October 8 last?

Mr. Lamontagne: Mr. Speaker, I want to repeat my statement of a few minutes ago, which in no way contradicts what my predecessor said on October 8 last. I wish to repeat that the employment of reporters is not a responsibility of the Secretary of State but of the House of Commons. However, I am convinced that if the House of Commons requests the services of the Secretary of State, we shall be happy to co-operate to the fullest possible extent.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to ask a supplementary question. In order to help clear up the situation, and in the interest of the House of Commons, would the Secretary of State tell us whether he intends to invite the Laurendeau-Dunton commission to conduct an inquiry here in parliament, first of all, so that we may have integral bilingualism?

An hon. Member: A silly question.

Mr. Speaker: Order. This question is completely out of order.

[*Later:*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to direct a question to the Secretary of State. Does he intend to treat our interpreters more humanely, in order at least to keep those we have now, by providing them with an air conditioning system in their booths?

[*Text*]

PUBLIC SERVICE

NATIONAL DEFENCE—BENEFITS TO CIVILIAN EMPLOYEES COMPULSORILY RETIRED

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct my question to the Prime Minister. It is based on a report in the paper that President Claude Edwards of the civil service federation had written to the Prime Minister asking that benefits similar to those announced for members of the armed forces be provided for civilian employees of the Department of National Defence who are prematurely retired because of the reorganization in that department. I should like to ask the Prime Minister if he has received the communication, if he has answered it, and whether he could indicate the nature of his reply.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have received the communication and I am in process of preparing a reply to it.

SHIPPING

LAKE HURON—SUGGESTED METHOD OF RAISING WATER LEVEL

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to direct a question to the minister of northern affairs. Would the minister give consideration to an experiment to raise water levels in lake Huron by sinking two obsolete lake freighters on either side of the channel leading to the St. Clair river?

Mr. Speaker: Certainly this question is important but not necessarily extremely urgent.

ADMINISTRATION OF JUSTICE

QUEBEC—REQUEST FOR APPOINTMENT OF ADDITIONAL JUDGE

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is for the Minister of Justice. He is well aware of the serious situation in northwestern Quebec and more particularly in the field of justice.

The superior court of that region has had cases pending for over five years. Now we hear rumours to the effect that the Minister of Justice will appoint a third superior court judge. Does the minister intend to make such an appointment as soon as possible so that the cases can be heard in our region?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I have received certain representations from the attorney general of the province of Quebec, not necessarily concerning northwestern Quebec as a particular region, but rather concerning the addition to the number of judges of the superior court. It gives me pleasure to inform my hon. friend that I have the matter under consideration.

[*Text*]

PUBLICATIONS

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): I wonder whether the Prime Minister can give us the latest news about legislation respecting periodical publications after today's government caucus.

Right Hon. L. B. Pearson (Prime Minister): Not on orders of the day.

THE CANADIAN ECONOMY

GASPE—REPORTED INTENTION TO CONDUCT ECONOMIC SURVEY

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Forestry. Since he is not in the house at the present time, I hope that one of his colleagues will answer on his behalf.

Under the ARDA program, natural resources, social and economic conditions in that part of the province of Quebec including the lower St. Lawrence, the Gaspe peninsula and the Magdalen islands will be the subject of a comprehensive study, does the term "lower St. Lawrence" include Charlevoix county?

[*Text*]

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): I wish to thank the hon. member for his question. I will bring it to the attention of the minister, and I am sure a reply will be forthcoming.

STORMS

QUEBEC—REQUEST FOR FEDERAL ASSISTANCE

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, my question arises from an answer given earlier by the Prime Minister to the Leader of the Opposition (Mr. Diefenbaker) in respect of the disaster at Port Alberni.

On June 30, 1963 a hurricane devastated part of Abitibi West, in the province of Quebec. Did the Prime Minister decide at that time to contribute to the disaster fund established to help victims of that region of the province of Quebec, as it is being done for Port Alberni, according to the answer he gave a moment ago to the Leader of the Opposition?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I am being asked about a fund covering a disaster which occurred nearly a year ago and I am unable, of course, to reply offhand.

NATIONAL DEFENCE

INCOME TAX ON BENEFITS TO RETIRING PERSONNEL

On the orders of the day:

Hon. Lucien Cardin (Associate Minister of National Defence): On May 11, in reply to a question, the Prime Minister undertook to look into a suggestion that the income tax on the special benefits paid to retiring personnel of the armed forces be spread over a period of three or four years. The suggestion was perhaps made because of a belief that the benefits would be treated for income tax purposes as ordinary income, or perhaps in the mistaken belief that the serviceman would be thereby raised to a higher income bracket for tax purposes.

Such is not the case. The special benefit to a member of the Canadian armed forces is treated as if it were a gratuity payable under the pay and allowance regulations. It is not treated as normal income, and does not place him in a higher tax bracket. The actual tax paid on this benefit is applied to only 85 per cent of the amount of the benefit, and is calculated on the basis of the tax payable on the serviceman's normal income. This method

of computing income tax on lump sum payments to servicemen has been in effect for many years.

To give an example, an army captain with 16 years service, married, with two children, would be entitled to a maximum special benefit of $6,350. The income tax payable on the special benefit would be $582.93, and the lump sum paid to him would be the difference, or $5,767.07. If the special benefit had been simply added to his annual income the income tax on his special benefit would be not $582.93 but $1,206.50. It will be apparent, therefore, that the method of computing income tax on these lump sum payments results in a much lower tax than that which would apply if the benefit were merely added to income for tax purposes.

JUDGES ACT AND EXCHEQUER COURT ACT

PROVISION FOR ADDITIONAL JUDGE OF EXCHEQUER COURT

Hon. Guy Favreau (Minister of Justice) moved the second reading of Bill No. C-96, to amend the Judges Act and the Exchequer Court Act.

Some hon. Members: Carried.

Mr. Speaker: Is it the pleasure of the house to adopt the said motion?

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, there is one point on which I should like a brief explanation. I did not want to intervene last night. Can the minister tell me whether in the future there is to be no position of commissioner of divorce in the other place? When the present incumbent retires or if he unfortunately ceases to hold office prior to the expiration of the 10 year appointment I take it that nominations from then on will be from the exchequer court bench at the instance of the Speaker of the Senate, but I should like to know what control the president of the exchequer court will have.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I must say it is the government's intention that once a member of the exchequer court has been appointed in addition to the present members, and once one out of the six puisne judges has been designated by the Speaker of the Senate to fulfil the duties of the commissioner, then from that time there will not be a commissioner functioning at the same time as the judge exercising these functions. I will admit that we thought about the question of the intervention of the chief justice. The reason why the bill was drafted in this way is that this person will act as an officer of the Senate and for that reason we believe it is essential that the Senate, through its Speaker, have full control over the choice of the person who will act in lieu of the commissioner; but it is assumed and has always been taken for granted that this will be done in conjunction with the president of the exchequer court.

My learned friend will agree that the difficulties have been considerable in drafting this very special type of legislation and this is the reason why we have expressed it that way. Quite frankly, I must say that the reason why the designation is left to the Speaker of the Senate is precisely to retain the quality of the person acting as an officer or in lieu of one of the officers of the houses of parliament, and to make it clear that he will not thereby be discharging any function as a judge of the exchequer court as such.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a word to say with regard to this bill. After we passed the resolution last night the Minister of Justice (Mr. Favreau) said, as found on page 3200 of *Hansard*, that "although the bill has not been circulated they", referring to members of the house, "may take my word for it that it is verbatim" with one that was before the house last year, and he asked us to give unanimous consent to second reading then. I objected and said that we would like to go on with the bill today, and at that point some member shouted "obstruction".

Far from there being any obstruction, the bill was not circulated last night and it was not circulated this morning. When I came into the house at 2.30 I looked on my file of bills to see if it had been placed there by the pages, but we only received it at 3.30. I would point out that far from there being any obstruction last night we were very properly performing our duty as an opposition in asking to see the printed document before the house passed it. When the Minister of Justice told us that the bill had not yet been circulated I suggest that he should have said that the bill had not yet been printed in sufficient numbers to be circulated.

Mr. Favreau: Mr. Speaker, I hope I have been well understood. I never implied, because I did not know, that the bill had been or had not been printed, but one sure thing was that it had not been circulated. I must say that in my capacity as government leader in the house I am certainly not complaining about the conduct of the opposition or any of the parties. There was a good deal of co-operation yesterday, which I am sure will continue, because the mood is there; and I was quite pleased. I would ask my hon. friend

to recall that I did not persist in my request as soon as he made the statement which he made last night.

Mr. Churchill: We were very co-operative last night, but who was the undisclosed member who called out "obstruction" last night? Why does he not stand up and identify himself?

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, yesterday we were on second reading of Bill No. C-90. We are told today that copies of the bill are available. Where are they? We do not have them.

Mr. Favreau: Mr. Speaker, a little while ago, I sent a note to each leader of opposition parties in the house telling them that the bill had just arrived. I understand, and I am not blaming him, that the hon. member for Villeneuve (Mr. Caouette) was absent for a few minutes, only at that time, and that is probably why he was not informed. It is fortunate that the bill is now available. This will enable us not only to discuss it immediately, but also to follow the order indicated last night.

Mr. Gérard Chapdelaine (Sherbrooke): Mr. Speaker, in view of the fact that the said judge will come under the jurisdiction of the Senate and the exchequer court, will there not be some confusion should there be a change of government? Will that judge fall under the sole jurisdiction of the exchequer court or will he remain always under the jurisdiction of the Senate?

It is said that the Speaker of the Senate changes when a new government comes into power; therefore, will there not be some confusion?

Mr. Favreau: In so far as the political factor might be undesirable in the case of someone who would hold a public office of that kind—

[*Text*]

Mr. Deputy Speaker: Order. I hesitate to interrupt the Minister of Justice, but perhaps I should mention that we are debating second reading of this bill. It is not the usual practice as I understand it, to have an exchange of questions and answers such as we have had in the last few minutes. We can have speeches or contributions from hon. members which may be answered by the minister as a sort of summary which would close the debate. Detailed questions might be asked in the committee, if that is the wish of hon. members.

[*Translation*]

Mr. Favreau: Mr. Speaker, I should not like the house to go into committee now if members of the house are of the opinion that it is still necessary to ask some more questions. Perhaps we have not given you enough time to take your seat at the head of the table.

[*Text*]

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1.

[*Translation*]

Mr. Lambert: Mr. Chairman, I appreciate the remarks made by the Minister of Justice (Mr. Favreau) and I think he realizes the problem raised in my question.

I believe we have here a rather delicate structure based entirely on a cordial agreement between the Speaker of the Senate and the president of the exchequer court. As a matter of fact, I do not see how the Speaker of the Senate could, given a mandate, appoint a puisne judge of the exchequer court without the consent of the president of the exchequer court. He cannot pick his judge at random. An agreement will have to be entered into between the president of the exchequer court and the Speaker of the Senate.

Now, on the other hand, could judges of the exchequer court refuse the invitation or the request of the Speaker of the Senate to act, for a rather long period, as Senate divorce commissioner?

I suggest to the minister and the government to consider that matter, for I feel that a more effective formula would be desirable in the future.

Mr. Chapdelaine: Mr. Chairman, I simply want to ask once more the question which I asked before the house went into committee. Could the minister tell us whether there would not be any risk of a conflict of authority between the Speaker of the Senate and the chief justice of the exchequer court, when the duties of the judge who will act as divorce commissioner have to be determined?

Mr. Favreau: Mr. Chairman, this question is quite appropriate. Of course, I say again that this situation is new and I admit it before the house. We thought about it very carefully before introducing the bill. The authority which has the power to establish the position of divorce commissioner, namely parliament, at the same time has the power to amend or modify the Exchequer Court Act and to enact specific provisions governing the rights and duties of the judges of the exchequer court, even outside their ordinary duties as members of the court.

There will be no conflict because we were very careful to put in the words which would make it quite clear that, once he has been

designated, that judge will in effect be on loan to the Senate. His duties will be exclusively that of an officer of the Senate, that is to say the same as those assigned to the officer of the Senate.

To make sure that the Senate would keep the required control, we felt that the Speaker of the Senate himself should designate the particular judges who would thereafter perform those duties. However, in reply, not to the objection, but to the point raised by the hon. member for Edmonton West (Mr. Lambert), which, in my opinion, is also well taken, I suggest it would be possible to reconcile those notions by adding, after the words "of the present section", that is the second line in subclause 6A, words such as, for instance: "after consultation with the president of the court".

I think that would solve the problem brought up by the hon. member for Edmonton West. If so, for my part, I am willing to recognize the merits of his question. It would at least be an improvement on the text in its present form and I would be ready to ask one of my colleagues to propose an amendment to that effect.

Mr. Lambert: Well, Mr. Chairman—

[*Text*]

Mr. Olson: I rise on a point of order, Mr. Chairman. There have been a number of discussions going on amongst hon. members as to what will be the next order of business after this bill relating to the Exchequer Court Act. I should like to ask the house leader if he is going to follow the order of business announced last night, or will there be substitutions made?

Mr. Favreau: If I may be allowed to answer that intervention, which is appropriate, I may say the reason we did not start in the order which I had announced last night was that Bill No. C-96, which we are now discussing and Bill No. C-95, had not come back from the printers, to our great dismay and surprise. The Clerk of the house has been kind enough to advise us that Bill No. C-96 has come from the printers. I am pleased to advise there are a few copies of Bill No. C-95 here, and we are ready to call that bill after the bill under discussion has been passed, if that course is agreeable to hon. members.

The Chairman: I understand there are about two dozen copies of the bill available.

Mr. Favreau: There might not be enough copies, but our intention was to proceed with this one and subsequently to take the legislation providing for the extension of the authority of the banks to do business after July 1, first because it is printed, and second, because it is rather urgent and is of relatively little difficulty from the point of view of discussion. We were then proposing to deal with the resolution preceding the bill to amend the Export Credits Insurance Act.

Mr. Olson: We are now on Bill C-96; following that we will take Bill C-95, and then the bill to extend the Bank Act. Is that the sequence?

Mr. Favreau: Yes.

Mr. Knowles: Last night we understood the third item today would be the Income Tax Act. What has happened to that?

Mr. Favreau: I will continue being frank with hon. members, as I have always been. It seems there are quite a few hon. members who desired to debate the matter of the Income Tax Act, but who are not present in the chamber at the moment for reasons which I am told are acceptable, and I think it would be to the benefit of parliament if they be given the opportunity to be present so that we can have a fuller discussion. Therefore, we are going to call it as the first item tomorrow.

[*Translation*]

Mr. Caouette: Mr. Chairman, I should like to call the minister's attention on the abnormal situation which results from the hasty introduction of bills as is the case here, even if the legislation is relatively short or contains but a few sections.

This question was considered by the house some time ago and it seems to me that there was sufficient time to have the bill printed and submitted to the house. In fact, I submit that all hon. members should have had a copy of Bill No. C-96 a long time ago. It seems to me that the procedure followed concerning legislation is rather strange.

Coming back to the bill itself, section 3 reads as follows:

> A judge of the court designated by the Speaker of the Senate under this section and to whom the governor in council has granted for this purpose leave of absence—

Mr. Chairman, will the Speaker of the Senate, under this section, be able to change, day after day, the judge in question who would become commissioner for annulment of marriages in Canada?

Under the bill, there are six puisne judges in the exchequer court. So, if the Speaker of the Senate is the only one authorized to appoint a judge, will the appointee continue in office for a certain period, or could the Speaker of the Senate ask one of the five other judges of the exchequer court to look after cases of marriage annulment? To be more precise, will only one of the six exchequer

court judges be appointed to hear marriage annulment cases, or will the Speaker of the Senate, at his discretion, select one of the six exchequer court judges, after this bill is passed?

Mr. Favreau: Mr. Chairman, as I said yesterday, the purpose of the bill now under consideration is to ensure that the man entrusted with those duties will see his prestige recognized by the public by having the status of a judge of the exchequer court, so that he will be known to show objectivity, fairness and legal knowledge in the determination of factors preceding the reports to be submitted to the Senate.

In principle, it is clear that on termination of the leave granted by the governor in council, the Speaker of the Senate could appoint another judge. But if we were to include in the legislation the restriction I referred to earlier, which the hon. member for Villeneuve might also have in mind, namely the consultation with the chairman of the exchequer court prior to the appointment of the judge or commissioner involved, even the possibility of such a danger would be removed.

On the other hand, in practice, it is clear that the purpose is to enable the Speaker of the Senate to designate, among the judges of the exchequer court, one who would be sufficiently specialized in those matters to hear the cases submitted to him by the Senate. Surely, we can take it for granted that the Speaker of the Senate will act with all the required wisdom and retain, so to speak, the services of the same judge for all the hearings.

As I pointed out yesterday, one of the advantages of the new legislation—once it is passed, it goes without saying—will be to make the present system much more flexible. Should the judge be ill or unable to act, for any reason whatever, because he is away on a trip or what have you, then, if many cases are outstanding, the Speaker of the Senate, with the assistance of the president of the exchequer court, will at least be able to designate another judge in the meantime, if the governor in council grants him leave, as provided in the clause, to hear the said cases.

For my part, I think we can all assume that this discretion will be exercised in the same way that other authorities exercise their own, that is so as to achieve the very purpose of the legislation, which is to ensure a responsible, impartial and legally sound settlement of those cases which nevertheless remain under the jurisdiction, if you wish, of one of the two houses of parliament, in this case, the Senate.

Mr. Chapdelaine: Mr. Chairman, I should like to ask a few questions which are closely related to what has just been said.

First of all, I want it clearly established whether all the judges of the exchequer court will be available or will be able to get that commissioner position and furthermore whether those judges of the exchequer court, in view of the new legislation, will also be able to sit on the divorce court. In addition, will their decisions be final, will they be necessarily imposed on the Senate, or will the Senate be able to reject the decisions suggested by judge having heard the case?

I would also like to get the assurance that the appointment of a new judge to the exchequer court will be made on the basis of his legal competence, even if his field of action is going to be rather restricted, and not on the basis of his political merits.

Mr. Favreau: Mr. Chairman, at the risk of being disapproved, but in order to reassure the house, because I consider it my duty to do so, I must say that as far as I am concerned, in my capacity as Minister of Justice, it is my intention to recommend to the governor in council the appointment, as additional judge of the exchequer court, the present divorce commissioner who was praised so much yesterday in the house for his qualifications and experience.

Of course, without any prejudice to the decision to be taken by the Speaker of the Senate, it seems clear to me that he is the one the Speaker of the Senate will appoint as the first judge to try those cases.

But it is also clear that, for the reasons I gave earlier, other judges of the exchequer court will be eligible. But my own interpretation, which may be wrong, of the wording to be submitted, is that in the spirit of the act only one judge of the exchequer court will have to be appointed to that office at any time.

That is why we recommend the appointment of only one additional judge of the exchequer court. Because it will not reduce the work of that court and the same amount of work will have to be done.

I think that even if the Speaker of the Senate appointed more than one judge, first, if we admit the suggestion made by the hon. member for Edmonton West (Mr. Lambert), the president of the court himself would see to it this did not happen; and second, the governor in council would not grant leave of absence to release one more judge.

Practically, I think we can all consider as an established fact that the judge to be appointed will have special qualifications in that field and that second, only one judge

will be appointed at any time to discharge the duties of commissioner.

[*Text*]

Mr. Lambert: Mr. Chairman, I am very appreciative of the remarks the Minister of Justice has made, and I would like to see the amendment he suggested a few moments ago, to assure consultation between the president of the exchequer court and the Speaker of the Senate. I may be setting up a straw man, but I think there may be difficulty in the event that there should not be agreement by the president of the exchequer court with regard to releasing a judge of that court. I have no qualms about the present president of the exchequer court, but our legislation must also take care of the future.

I refer to the English version of the bill, line 20, and wonder whether we might not have an amendment to provide that after the granting of leave of absence by the cabinet the judge shall exercise and perform these duties. In other words, if there is disagreement between the Speaker of the Senate and the president of the exchequer court, then the governor in council, or the cabinet, may step in and say, "Yes, this man shall perform these duties". You have to cut the Gordian knot somewhere. In this way there would be direction by the governor in council. I am putting this forward to the minister as a suggestion for his consideration. It may be that it goes too far and the minister would not like to have the governor in council step in. However, I think the minister realizes the potential problem that I have set up.

Mr. Favreau: Mr. Chairman, I understand perfectly the problem which has been raised. I personally would not agree that a person extraneous to the president of the exchequer court, under whose jurisdiction fall the puisne judges, should make this appointment. I do not think that after the Speaker of the Senate has intervened, another group, the governor in council, which is also extraneous to the exchequer court, should in a mandatory fashion have to appoint the commissioner.

My reason for not agreeing with this suggestion is that it would be bypassing, in my view, in too complete a fashion the authority of the president of the exchequer court, who is after all the chief justice of that court. This is why we have drafted the bill in this way, to make it possible, feasible and lawful for a member of the exchequer court to discharge functions which normally would be discharged by an officer of another body, namely the Senate. This is why I personally would much prefer, if my hon. friend from Edmonton West would agree, an amendment which would bring together the president of the exchequer court and the Speaker of the Senate for the purpose of consultation. In view of the purpose of the bill and the reason one additional judge is being added to the exchequer court, I am quite sure that if we had the misfortune of losing the president of that court it would always be easy for the Speaker of the Senate and the president of the exchequer court to reach agreement.

Mr. Lambert: Perhaps I was being a little too pessimistic.

Mr. Favreau: No, you were just being prudent.

[*Translation*]

Mr. Chapdelaine: Mr. Chairman, without being too insistent, I would like to revert to a question which I asked a moment ago.

The bar association to which I belong passed a resolution last year and reaffirmed its wish this year that the administration of justice be entrusted to persons whose qualifications take precedence over political considerations.

I wonder if this would not be a good idea—which I am now suggesting—that it be included in the bill itself—even if it is there only as a matter of form—for that appointment, as the minister said a while ago—of course, in the present case, the appointment will be made according to the qualifications, but we have to anticipate other appointments also—this is why I ask, as I said a moment ago, even if it is there only as a matter of form, whether it would not be a good idea to include in the bill that future appointments should be made according to qualifications and not for political considerations.

Mr. Favreau: Mr. Chairman, I understand the objectivity of my hon. friend in making his suggestion, but I think that it would probably be an indication—I say so frankly—of non-confidence in those who make appointments.

As for myself, I may say that as far as the present divorce commissioner is concerned—and I must say that I have recommended him—I do not know, and I hope that all the hon. members will take my word for it, what his political affiliations are.

Second, if you want to go by the recent appointment of the president of the exchequer court you will surely see that I am convinced that competence is the only thing that should be taken into account.

But I think—and that is why I would be against including this in the legislation—that it must be taken for granted, even if it is necessary to criticize him in the future for failing to do so, that the Minister of Justice in his recommendations to the Prime Minister about appointments to the posts of president or chief justice which the governor in council

will make, will always be convinced, as he must be, that the man he is recommending is competent.

I say that this is tacitly included in the act and that it is preferable not to write it, because this would create difficulties in the future by giving the impression that certain judges might be appointed for other reasons than for their competence.

There may have been such appointments in the past but I know—this is perhaps selfishness on my part because I want to consider my own responsibility only—that during my short term of office, there has been no appointment for other consideration, and I hope that nobody will be able to say later on that there has ever been.

[*Text*]

Mr. Peters: Mr. Chairman, I had not intended to say anything on this matter, but I do think the point raised by the hon. member for Sherbrooke is an excellent one. We have some very bad judges. I say that as a non-lawyer, therefore having no axe to grind one way or the other. But there are some very bad judges, and political appointments are not always the best. I think, however, it should be borne in mind that the minister is very well aware of the considerations and circumstances under which the commissioner was appointed. His choice has been a good one and I would say, as a third party, it has been a non-political one. There is, of course, something to consider when this appointment has eventually to be remade, and if the insinuation of some hon. members is correct and only one judge should be designated for a long period of time in this particular field, we will have to be overly cautious about how the appointment is made. I should not like to see the Prime Minister making this appointment on the basis of who was or who was not friendly in the last election; much more is at stake than that.

I think the minister is right in saying that there are other safeguards which have been written into the bill, not the least of which would be the rules that the Senate exercises in its committee, and the role which I see the Speaker of the Senate playing in this appointment. It is not likely that all the exchequer court judges would be incompetent, although some might be. When the chief of the exchequer court makes his choice and the request is made by the Senate for a specific officer, then it is very likely that there will not be an opportunity to avoid what the hon. member for Sherbrooke thinks might be the fact. However, I believe that this discussion in this regard is worth while, and that as people look back at the history of this debate they will perhaps find that the minister has pretty well assured—and I think as long as he is minister of this department he will be able to give us the assurance—that competency will be the major criterion in the choosing of a commissioner, and that some of the other factors which have played a part in the appointment of judges will not apply in this case. If it were otherwise then the government would have to go much further than it has at the present time to solve the whole problem, so that we would not be dependant on so many people for their good will.

Mr. MacEwan: Mr. Chairman, I have just one point of clarification for the minister. This additional judge who will be appointed will be empowered, will he not, to try other cases which are referred to the exchequer court, or will he be limited only to the duties set out in clause 3?

Mr. Favreau: The intention is to limit him during the leave of absence given by the governor in council to the disposal of these cases. However, it is also the intention, whenever there are any cases to be disposed of, to cancel the period of leave and, at the request of the president of the exchequer court, to make available a judge, even if only for a few days or weeks, to dispose of court business and to assist his colleagues.

[*Translation*]

Mr. Chapdelaine: Mr. Chairman, I asked earlier whether the commissioner's decision was final. I know that it is the Senate which finally decides in divorce matters. But what is the determining factor to establish whether the Senate must approve or reject the commissioner's recommendations?

Are certain rules to be applied in some cases when the commissioner's decision would not be accepted by the Senate? What are those rules? I imagine that at a given time the judge or commissioner will be the only one to make decisions to grant divorces for the provinces of Newfoundland and Quebec.

Mr. Favreau: I am sorry I forgot to answer that question when it was put to me along with a few others.

Naturally, I am not saying this to criticize the hon. member, but that question would rather apply to the amendment or to a discussion of chapter 10 of the statutes of Canada for the year 1963, which we passed during the last session and which enacted this legislation. The measure now before us is not meant to amend the statute in any way, but simply to add a judge and to enable him to perform the duties defined in chapter 10.

However, for the purpose of this discussion and with no intention of prolonging it, I might say that the Senate, as such, remains the master and that it finds itself today, as far

as the recommendations of the commissioner are concerned, in the situation the Senate divorce committee was in previously.

For all practical purposes, what we are aiming at is that such recommendations be made by someone able to set down his own jurisprudence and, above all, who would be wise enough to judge to detect fabricated evidence—for such a thing has happened—and who could guarantee that his recommendations, when the time comes for the Senate to accept them, have been thoroughly considered. But the Senate remains the master, because we are not tampering here with chapter 10, unless an amendment is brought forward. However, it must be assumed that if the Senate were to set aside the commissioner's recommendation, it would only be because new evidence had been uncovered or for some other very serious reason. In principle, the commissioner will not be empowered to make recommendations in cases other than those already recognized by federal legislation and by the bill previously passed by the house.

I feel therefore that nothing is subtracted from the Senate's jurisdiction. The present bill changes in no way the duties of the commissioner. Its purpose is merely to allow a judge to carry them out.

[*Text*]

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Leave of absence to perform duties of officer of Senate.*

[*Translation*]

Mr. MacNaught: Mr. Chairman, seconded by Mr. Richard, I move the following amendment:

That, after the words "of the present section", line 16 of Bill C-96, the words "after consultation with the president of the court" be inserted.

Amendment agreed to.

[*Text*]

Amendment agreed to.

Clause as amended agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time?

Mr. Lambert: Now, by leave.

Mr. Deputy Speaker: By leave, now?

Some hon. Members: Agreed.

Mr. Favreau moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

[Mr. Favreau.]

FINANCE

PAYMENT OF PROVINCIAL TAXES AND FEES BY CROWN CORPORATIONS

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill No. C-95, respecting the payment of certain provincial taxes and fees by crown corporations.

Motion agreed to and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1—*Short title.*

Mr. Lambert: There is one question I should have liked to ask last night. What about the position in the case of those provinces which do not levy a sales tax? Their provincial corporations, if any, have to pay federal sales tax. I presume the federal government will now direct its crown corporations to pay sales tax to those provinces which levy it, on what one might call an exchange basis. Is the government not prepared to give any relief to the two provinces which do not impose a sales tax?

I do not know whether the minister is trying to encourage those provinces to levy sales tax. It is true the crown corporations will have to pay the gasoline tax, and the same is true of motor vehicle licences. But I am concerned about the sales tax.

Mr. Benson: The hon. member for Edmonton West has raised an interesting question. When provinces do not levy a sales tax, the crown corporations do not have to pay a sales tax to them. This would apply to Manitoba and Alberta. I might point out, also, that there is a considerable difference in the rates of sales tax imposed by the various provinces, from a high of 6 per cent to a low of 3 per cent. In the case the hon. member has in mind, the crown corporations would not be paying sales tax but they would be paying licence fees and gasoline taxes.

Mr. Lambert: If I recall rightly, the minister indicated in the budget that the crown corporations would be paying these taxes from April 1, 1964, onward and I take it they have been doing that. My other question is this: Is the minister satisfied that in the event that provinces which do not now have sales taxes embark into the field known as turnover tax, no amendment would be necessary and the wording of this clause and following clauses would be sufficient to cover it? It seems to me the tax referred to is a tax as listed in clause 3, and it says:

Any retail sales tax of general application payable on an *ad valorem* basis by the purchaser—

No. It does not cover the turnover tax.

Mr. Benson: The answer to the first point is that crown corporations which were not previously paying sales tax have not, as yet, begun paying the tax in the absence of enabling legislation. When this legislation is passed, they will begin to pay the tax.

As to the question of the turnover tax, a tax which, so far, has yet to be imposed, this would of course have to be dealt with by amendment to the legislation, should any province see fit to levy such a tax. This provision applies to existing sales taxes and I believe legislation could not go so far as to anticipate all the various types of taxes which might be levied in the future.

Mr. Olson: Has any consideration been given to making cash payments to those provinces which do not levy sales tax, in lieu of tax revenue from these corporations?

Mr. Benson: No consideration has been given to this matter. It would be extremely difficult to calculate how much revenue would have been realized had a sales tax been imposed, or at what rate it might have been imposed.

Mr. Olson: At the risk of being accused of taking a purely provincial stand on this question, may I say that in my opinion this is another measure by the federal government which is grossly discriminatory against Alberta. May I recall that in calculating the amount of equalization grants made to the provinces by the federal government, revenue from natural resources is taken into account and under this formula the province of Alberta is prevented from receiving large sums of money which would otherwise be due? Alberta does not become eligible to receive this money for the simple reason that the province manages its natural resources in such a way that well over $100 million of provincial revenue is derived from royalties and so on—income which does not represent taxation at all, but rather a share in the natural wealth which is being developed. I say the present system is unfair because other provinces have the right to do the same thing as Alberta; they also own the natural resources in their provinces, or most of them, and they have the right to collect royalties and to manage their affairs in the same way as Alberta does. Residents of the province of Alberta will be paying their fair share of income tax, corporation taxes and all the other taxes, such as excise tax, which the federal government imposes. Yet the refund, the means of returning some of this money to the provinces, is to be made in such a way that Alberta will be excluded from benefit.

I do not know whether there is anything we can do about this if the government is determined to go ahead. At the same time, I can cite a number of instances where a province which did not wish to enter into financial arrangements with the federal government on a certain basis was granted a cash payment in compensation. I have in mind particularly university student grants and family allowances in respect of children of the ages of 16 and 17. At least one of the provinces objected to the federal government making these payments. However, the federal government decided that if this province wished to administer its affairs in a particular way it was prepared to make a cash payment available. I think we are dealing, now, with another situation in which the provinces of Alberta and Manitoba have a legitimate claim for some cash compensation in lieu of sales tax.

Mr. Benson: In answer to the hon. member for Medicine Hat, all I can really say is that Alberta will share in the receipts from motor vehicle licences and the gasoline tax, although fortunately in Alberta the gasoline tax is the lowest in Canada. As I understand the situation, it is 12 cents a gallon; Alberta is in the very happy position of having a lot of oil.

I really do not think that in this particular bill we can delve into the whole problem of equalization. I might add that we have not received any formal representation from the province of Alberta in respect of this bill expressing the opinion that the province is unfairly treated by this legislation.

Mr. Olson: Well, the province of Alberta is noteworthy for the attitude it has always taken toward federal affairs. It has not complained about many things. As for the hon. gentleman's observation that Alberta has a lot of oil, I would like to remind him that the province of Ontario enjoys a production of nickel alone whose dollar value is in excess of all the oil produced in Alberta annually. They have the right to recover royalties if they choose to do so. If you add up all the other mineral production in the province of Ontario or the province of Quebec you find that it exceeds in total the value of oil production in Alberta. Therefore I do not accept this as a reason.

As the parliamentary secretary pointed out, the province of Alberta also happens to have the lowest fuel oil tax in Canada. This, of course, is the result of the good administration of their natural resources, so that they get a lot of revenue from them. If you add all these things up, even the things to which the parliamentary secretary has just referred, it seems to me that it only adds to the total impact of the discrimination that is being practised in this bill.

[*Translation*]

Mr. Bélanger: Mr. Chairman, I am not used to congratulating the government but, this once, I think that the measure under consideration is certainly a progressive one.

Even if I do not give it all the importance that the members on the other side of the house seem to give it, I think that it makes amends, to a certain extent, for the injustice committed in the past when crown corporations were allowed to compete unfairly with private enterprise.

I think that this measure will benefit not only the province of Quebec but some municipalities in particular since, as you know, the sales tax was set recently at 6 per cent and the municipalities will get back 2 per cent thereof, according to their population.

Therefore, in that way, the people of some municipalities will again be helped. Moreover, I think that the government intended, through this legislation, to distribute the purchasing power, and that is why I take the liberty of saying that, in my opinion, it does not go far enough in that direction. As a matter of fact, it should also consider the possibility of exempting from the 11 per cent sales tax the municipalities which purchase building materials for public works, because I fail to see the usefulness of imposing an 11 per cent sales tax to increase the budget and then help the municipalities by giving that money back to them. I think that it would be much more logical to abolish that 11 per cent sales tax on building materials bought by municipalities for public works.

Mr. Chairman, those are the few remarks I wanted to make, in order to point out that situation to the Minister of Finance and in particular to the Minister of National Revenue, so that they might think about abolishing the sales tax on building materials that are bought by municipalities for public works.

For the last few years, under the winter works program, the municipalities have been forced to engage in expenditures they would not have incurred were it not for that program.

In so doing, we may be getting the municipalities into debt at a fairly rapid rate, by forcing them to buy materials to carry out projects while the federal government is not contributing to the cost of those materials. By abolishing the 11 per cent sales tax on building materials bought by municipalities, we would assist at the same time the unemployed and in general the economic activity all over the country.

[*Text*]

The Chairman: Shall clause 1 carry?

Clause agreed to.

[Mr. Olson.]

On clause 2—*Payment of tax or fee by corporation listed in schedule.*

Mr. Douglas: Mr. Chairman, first of all I want to congratulate the Minister of Finance on the confidence he is showing in his parliamentary secretary by allowing him to pilot this measure through the house, and to say what an admirable job he is doing. I want to ask him two questions with regard to the schedule of crown corporations. What crown corporations have been omitted from the list? Second, would he tell the committee what crown corporations do about municipal taxes? Do they pay municipal taxes as assessed by the local municipality in the same way as any other company?

Mr. Benson: Mr. Chairman, to deal with the first question first, in my general statement at the resolution stage yesterday I indicated that the corporations which are included here consist of 22 of the 25 corporations listed in schedules C and D of the Financial Administration Act—

Mr. Douglas: What are the three that are omitted?

Mr. Benson: —plus five unlisted corporations, Bank of Canada, Canada Council, Canadian wheat board, industrial development bank and the Northern Ontario Pipe Line Crown Corporation. I went on to say:

> Three corporations listed in schedule C of the Financial Administraton Act have been excluded from the schedule to the bill. These bodies, Canadian Arsenals Limited, Crown Assets Disposal Corporation and the Defence Construction (1951) Limited—

Mr. Douglas: What was the third one?

Mr. Benson: Defence Construction (1951) Limited.

> —differ from the 27 bodies to which the bill would apply in that they operate almost entirely to provide what might be described as internal services for federal government departments.

I might also point out at this time that when we reach the schedule the Minister of Finance will move that one additional crown corporation be added which was inadvertently omitted.

To deal with the second question raised by the hon. member for Burnaby-Coquitlam, I would say that crown corporations generally do pay grants in lieu of municipal taxes to municipalities, and this applies to the question which was raised by the hon. member for Charlevoix. While it is true that on most municipal undertakings the municipalities pay our sales taxes, crown corporations in turn pay to the municipalities grants in lieu of taxes, as do the departments of the federal government.

Mr. Douglas: Are they paid in all cases? For a while there was a formula whereby the grant was only paid where the total amount of taxes in a certain city exceeded a certain amount. Has that formula been discarded and is it now paid generally across the board?

Mr. Benson: I would say almost but not entirely, Mr. Chairman. There are a good many crown corporations and there are special circumstances in the case of some of them where the full amount of what the taxes might be on the basis of assessment is not paid. However, the bases on which these crown corporations are paying municipal taxes are all under review at present.

[*Translation*]

Mr. Caouette: Mr. Chairman, I would like to direct only one question to the parliamentary secretary to the Minister of Finance.

If I refer to clause 3 of this bill, here is what I see:

> Any retail sales tax, generally applied, payable by the buyer according to the value of goods subject to the said tax relating to consumption or use of said goods.

It is understood that in the province of Quebec which is more prosperous than the others, we have a uniform sales tax of 6 per cent. Will the federal government pay this uniform tax of 6 per cent, in the province of Quebec, on all its properties or those belonging to crown corporations or will they be exempt? Will these properties continue to be exempt, as was the case in the past, or will the provincial tax of 6 per cent be paid to the province of Quebec, as do all other private companies doing business in the province of Quebec?

[*Text*]

Mr. Benson: The purpose of the bill is to provide the right to crown corporations to pay sales tax which they do not pay at present, the amount in the case of the province of Quebec being 6 per cent. The main purpose of the bill is to provide the authority for them to pay the sales tax.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I noted just now that the parliamentary secretary, in answering a question by the hon. member for Burnaby-Coquitlam, appeared to draw an analogy between payments in lieu of taxes now made to municipalities and the bill now before us. It seems to me they are entirely different.

Mr. Benson: That is right.

Mr. Cameron (Nanaimo-Cowichan-The Islands): One is in the form of a grant, perhaps bearing some relationship to taxation, if you like, but this is the actual payment of taxes. I would suggest that if that distinction is kept clearly in mind the objections of the hon. member for Medicine Hat fall to the ground, because this is merely the payment of a tax and if the province of Alberta does not choose to impose a tax it would seem to me that is their business. I do not think the two things should be confused.

Mr. Benson: I should point out, perhaps, the only reason I brought that analogy in at all was that the hon. member for Charlevoix said we should exempt municipalities from the 11 per cent sales tax. I was merely pointing out these crown corporations do pay grants in lieu of taxes to the municipalities.

[*Translation*]

Mr. Caouette: Mr. Chairman, coming back to the point raised a moment ago, I understand that the department or the crown corporations will pay their 6 per cent sales tax in the province of Quebec.

The hon. member for Medicine Hat (Mr. Olson) raised a very logical point a while ago. There is no provincial sales tax in Alberta. Therefore, the minister or the parliamentary secretary to the minister are hardly afraid that there might be confusion or charges of discrimination on both sides, because the crown corporations will pay more provincial tax in the province of Quebec than in the other provinces.

I suggested yesterday that everyone should be freed from those taxes. Would not that be more logical? Indeed, if the federal tax was abolished by the Minister of Finance (Mr. Gordon), it would cost less to the crown corporations as well as to the provinces and the municipalities.

In my opinion, it is unfair to place the provinces which are better administered than the province of Quebec, in a situation where they are liable to lose a great deal of money when dealing with crown corporations.

[*Text*]

Mr. Olson: I do not have a list of the crown corporations that will be paying these taxes. I should like to ask the parliamentary secretary if Canadian National Railways will be one of them?

Mr. Benson: Yes, Canadian National is one.

Mr. Caouette: Which ones are making money?

Mr. Benson: The hon. member for Villeneuve wants to know which ones are making a profit. The Bank of Canada is making a profit; the Canada Council is making a profit; the Canadian Overseas Telecommunication is making a profit; Canadian Patents and Development Limited is making a profit; Central Mortgage and Housing Corporation

is making a profit; Eldorado Mining and Refining Limited is making a profit; Export Credits Insurance Corporation is making a profit; industrial development bank is making a profit; Northern Canada Power Commission is making a profit; Northern Ontario Pipe Line is making a profit; Northern Transportation Company Limited is making a profit and Polymer Corporation Limited is making a profit.

Mr. Caouette: Is the parliamentary secretary in a position to tell us if the total of these profits equals the total deficit to the other crown corporations?

Mr. Benson: I really have not an adding machine mind, but in glancing down the list I would say they pretty well balance out.

Mr. Caouette: Is this why we have a national deficit this year as shown by the minister's budget?

Mr. Benson: I really do not think this has anything whatever to do with it.

Clause agreed to.

Clauses 3 to 6 inclusive agreed to.

On the schedule.

Mr. Gordon: I should like to move, seconded by the Minister of Justice:

That the schedule to Bill No. C-95, in respect of the payment of certain provincial taxes and fees by crown corporations be amended by adding thereto the name of the following corporation:
The Seaway International Bridge Corporation Ltd.

Amendment agreed to.

Schedule as amended agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Batten): When shall the bill be read a third time?

Mr. Lambert: Now, by leave.

Mr. Gordon moved third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Lambert: I believe, Mr. Speaker, that we might see it as being five o'clock.

Mr. Favreau: I am pleased to second that motion. May I take this opportunity of repeating what I said a few minutes ago, namely that the situation which prompted me not to have the income tax bill called will not exist as of tomorrow, and tomorrow the first order of the day will be the income tax bill, to be followed by the resolution preceding a bill to amend the Bank Act.

The Acting Speaker (Mr. Batten): Shall we call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions and public bills.

TRANSPORT

PROVISION FOR ACCESS TO VANCOUVER INTERNATIONAL AIRPORT

Mr. R. W. Prittie (Burnaby-Richmond) moved:

That, in the opinion of this house, the federal government should give consideration to the advisability of constructing a bridge or tunnel across the north arm of the Fraser river between the city of Vancouver and Sea island in the municipality of Richmond for the purpose of assuring uninterrupted access to the Vancouver international airport.

He said: Mr. Speaker, perhaps all hon. members are not familiar with the Vancouver international airport, but they are familiar with the international airports at Dorval and Malton, the two busiest and largest airports in Canada. I should like them to imagine the situation if Dorval and Malton were served simply by a two-lane swing bridge over a channel, and this bridge opened for tug boats and barges as they passed. You can imagine what traffic confusion would result at these two busy international airports, and if the situation occurred in Montreal or Toronto I am sure we would have heard a great deal about it in this house. However, that is the situation which exists in Vancouver.

According to the figures released on May 5 by the Department of Transport, the Vancouver international airport is the third busiest in the country. The metropolitan area of Vancouver, with 800,000 people in it, is the third largest in the country, but in Vancouver we have this very serious problem of access to the airport.

Vancouver international airport is situated on an island, Sea island. The bulk of the population of the metropolitan area lives on Burrard peninsula, in the city of Vancouver, the municipality of Richmond, the municipality of Burnaby, New Westminster and other places. At the present time there is no direct access from Vancouver and the surrounding municipalities to Sea island where the airport is located.

In order to get to the airport, traffic must cross a bridge to Lulu island and from that island it crosses the Moray channel bridge, which is the two-lane swing bridge I have

mentioned. This bridge is open very frequently, and at such times traffic to and from the airport is stopped. The bridge opens for traffic moving along the channel, and there have been times when it has been kept open because of mechanical failure. At least this is inconvenient, and at worst is downright dangerous.

This is certainly very inconvenient if you are trying to get to the airport to catch a certain flight, but it is dangerous when you consider the question of mercy flights arriving at Vancouver international airport, and quite frequently these flights come from all parts of the province, from the interior, Vancouver island, and up the coast. When they land, ambulances have to be there to transport the patients quickly to the Vancouver hospitals. In that sense the very narrow bridge which is the only connection from the island to the mainland is a positive danger.

I think everybody will agree that the access is certainly inadequate. There is a problem there and, as always, the question is what do you do about the problem? Hon. members may wonder how the federal government becomes involved in this. At first glance it may seem to be a purely local problem, but this is not the case.

Vancouver airport is owned by the federal government in the name of the Department of Transport. Sea island is now 75 per cent under federal government ownership, the bulk of the land being used by the Department of Transport and by the Department of National Defence. The R.C.A.F. station on Sea island is closing, but the land is being transferred to the Department of Transport and, as I say, 75 per cent ownership of the island is in the name of the federal government. The remaining land is occupied by two subdivisions, some industrial properties and some farms. The federal government investment in the airport is quite great, and it is to be increased. Construction of a new air terminal building, at a cost of $20 million, will start this year and is scheduled for completion in 1967.

I would also submit that the federal government is involved in this respect, in that the body of water which separates Sea island from the Burrard peninsula—the north arm of the Fraser river—is a navigable water under the terms of the Navigable Waters Protection Act.

However, I do not accept the point of view that the entire cost of this new crossing should be borne by the federal government. I think there is room for co-operation here between the federal and the provincial governments. There was formerly a crossing in the place where we want one now, an old wooden bridge, and the provincial government in British Columbia has in part recognized that it has some responsibility here.

Speaking in the British Columbia legislature in February last, the minister of highways of that province said—and I am quoting from a news story in the Vancouver *Province*:

> The minister said Ottawa asked him to share the cost of a study—which may range from $30,000 to $50,000—of a possible new route to the Sea island airport.
>
> Whether or not a new structure would be built would depend on federal co-operation, he said.

Recently, Mr. Speaker, I put a question on the order paper, question No. 969, to confirm this point. It read as follows:

> Has the Department of Transport or any agency of the federal government requested the department of highways of British Columbia to share in the cost of a study concerning the advisability of building a new bridge or tunnel to connect the city of Vancouver and Sea island, the site of the Vancouver international airport and, if so, who has been commissioned to carry out the study and when is a report expected?

I received the reply today from the Minister of Transport (Mr. Pickersgill), and the reply is as follows:

> At the request of the department of highways of British Columbia the Department of Transport has agreed to share in the cost of a study of traffic and technical problems involved, and have commissioned the firm of Phillips Barrett and partners to undertake this study and a report is expected in about six months time.

There seems to be a little conflict there with what the minister of highways of B.C. said. He said the federal government asked him to participate in this study, and the Minister of Transport says the department of highways of B.C. asked his department to participate in it. However, quite apart from that, I am pleased that the two governments have agreed on this study and that the study is under way.

As you would expect, Mr. Speaker, quite a number of local organizations have interested themselves in this matter over the years, among them the council of Richmond, the chamber of commerce of Richmond, and the Sea island community association. Just recently the Vancouver board of trade, certainly a very influential body in that city, added its voice to those asking for this crossing. In a letter to the Minister of Transport, dated May 1, 1964, they submitted quite a long resolution, the operative part of which reads as follows:

> Therefore be it resolved that the federal government be urged to proceed immediately with the development of a direct crossing between Sea island and the Burrard peninsula, preferably a tunnel, to serve the Vancouver international airport with a view to completion by 1969.

I am sure that the people of Richmond who have been looking for this for a number

of years are greatly encouraged by the support which the Vancouver board of trade has given to the project. I myself am very much encouraged by the amount of support there appears to be for it.

This is not the first time the project has been discussed in this house. It was brought up in 1962 under similar circumstances in private members' time by my predecessor from Burnaby-Richmond, Mr. John Drysdale, a Conservative party member. During that debate all of the Conservative members, but one, spoke in favour of the motion. The only one who had any words of dissent was the hon. member for Edmonton West (Mr. Lambert) who just managed to get in a few words before six o'clock. However, as he is not here today I am sure all other Conservative members will support it.

At that time the spokesman for the Liberal party was the Hon. Lionel Chevrier, and he had this to say, as recorded at page 2632 of *Hansard* for April 9, 1962:

> Mr. Speaker, I am sure the house will be grateful to the hon. member who has introduced this resolution which concerns a problem of acute importance, I am sure, to those who live in the great metropolis of Vancouver. The resolution invites the federal government to give consideration to the advisability of constructing either a bridge or a tunnel across the north arm of the Fraser river between the city of Vancouver and Sea island in the municipality of Richmond, which municipality I take it forms part of the hon. member's constituency.

Later on Mr. Chevrier, in order to expedite things, had this to say:

> In order not to delay the resolution and also to give others an opportunity to speak, I will sum up my remarks—

I will not continue the quotation from that point. So it is encouraging that there was support from other parties in the house when Mr. Drysdale presented this resolution two years ago. In the meantime something has been done. The provincial government and the federal government have decided to cooperate in carrying out a study for a new crossing. The type of crossing which I think most people would like to see is a tunnel. I think this is the most practical method, and this will be borne out by the engineering studies.

I hope the engineers who have been commissioned will report within the six months period and that the federal government will take the initiative in meeting with the government of British Columbia in order to work out a plan of action for this project. If they start very soon, perhaps the new tunnel from Vancouver to Sea island might be ready shortly after the new Vancouver international airport opens in 1967.

[Mr. Prittie.]

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I enter into this debate this afternoon because I am a member from a Vancouver constituency, and one which is really only a few city blocks from the Sea island airport which lies in the constituency of my hon. friend, the member for Burnaby-Richmond (Mr. Prittie). As the hon. member and myself must go to that airport each time we leave Vancouver, and arrive there on our way back, we are both very interested in it and are interested in the progress the federal government is making in regard to the construction of an international airport on Sea island.

My hon. friend has described how the Fraser river, coming down through the Fraser valley and moving westward to the sea, fans out into a delta. In the mouth of that delta is one very large island, Lulu island, comprised of low farmland, and further to the sea, on the seaward side, there is a small island, Sea island, divided from Lulu island by a channel called the Moray channel. Forming the water on the north or Vancouver side of these islands is a channel called the north arm of the Fraser river. This north arm of the Fraser river is used extensively by fishing boats and it is also used for booming logs up and down the Fraser. It is a very important channel, although a relatively narrow one.

On the south side of the islands, or the American side, is the main channel up and down which ships pass on their way to and from New Westminster. Sea island has for a long time been a municipal airport and in very recent times it was purchased by the federal government for a federal airport under the Department of Transport. I understand that an international airport there is now in process of planning and development. One of the great problems facing the airport at Sea island, as my hon. friend has noted, is the question of access to it. This has been, as my hon. friend has pointed out, the subject of considerable discussion.

I want to add to what has been said here today by referring to a memorandum dated November 22, 1962, from the chief engineer, development engineering branch of the Department of Public Works. This memorandum is entitled, "Background information on link between Vancouver and Sea island". The chief engineer says:

> Access from the city of Vancouver to Sea island over the north channel of the Fraser river was provided for—

—that is, was first provided for—

> —by a swing bridge called the Marpole bridge built in 1901 and rebuilt in 1925.

This, as everyone from the Vancouver area remembers, was a bridge which had encountered so many disasters from tugs and barges knocking against it that it had become a quite ludicrous spectacle, a farce to Vancouver, and it was the subject and butt of many jokes over the years. A request was made in April, 1953, by the province of British Columbia for the federal government to participate in providing access to Sea island because of the air force base which was located on the island. It was estimated at the time that this structure would cost $1,200,000; hence, the federal government's participation, which had been agreed upon as being one third of the cost, would have been a maximum of $400,000. A proposal was put forward in 1956 by a consulting firm for a tunnel access to Sea island across the north arm of the Fraser river. That was roughly the same project as we are talking about today.

The province, however, decided that it was their intention to proceed with the construction of the Oak street bridge, as my hon. friend will remember, between the city of Vancouver and Lulu island, and the Moray channel bridge between Lulu island and Sea island. This was to be built under the B.C. toll authority, and they requested the federal government to contribute to these two bridges in lieu of their previous commitment for the replacement of the Marpole bridge. But the federal government felt that the Oak street bridge was an integral part of the highways system of British Columbia, and as such did not feel they should contribute to that structure. They agreed, however, in 1956 to pay one third, up to a maximum of $400,000 toward the Moray channel bridge after the province proposed to operate it on a toll free basis. Payment of $400,000 was made to the provincial government in March of 1958. Mr. Regier, the predecessor of the hon. member for Burnaby-Richmond, asked in the house in July, 1958 the following question of the minister of public works, then Mr. Green:

> Could the minister bring the house up to date on the situation with regard to the Oak street bridge or the only bridge connecting Sea island and Lulu island? Has a settlement ever been arrived at with the government of British Columbia, and if so what was it?

Mr. Green replied:

> There was a payment provided in last year's estimates of $400,000 which was to be applied to the cost of the bridge over the Moray channel, and that has been paid to the provincial government.

Mr. Regier asked:

> It has been paid?

Mr. Green's answer to that question was "Yes". After the construction of the Oak street bridge, the Marpole bridge was closed to highway traffic and its swing span remained open. It has since been a hazard and impediment to navigation in the very busy north arm of the Fraser; therefore the north Fraser harbour commissioners, who are responsible for that area, are most anxious indeed to have the old span removed. Several requests were made by interested parties to have the federal government provide financial assistance toward the cost of the Oak street bridge in order to make it toll free, but the government's answer has remained, as I have said, that they did not feel they should become involved in this provincial structure.

In March of 1961 the residents of Sea island were informed of the closing of the old swing bridge between Sea island and Lulu island, which at that time was called, as my hon. friend knows, the Eburne bridge. This bridge was closed and then Sea island had access only to the Moray channel via the two-lane swing bridge, which from time to time closes off access to Sea island, a very busy international airport.

I want to discuss for a moment just how busy is the Vancouver international airport, and how very essential it is, in view of the growth of Vancouver, that adequate access be provided on a continuous basis to Sea island. The new Vancouver international airport terminal will be built on that side of Sea island closest to the city of Vancouver or closest to the north arm of the Fraser river, which is the water body the crossing of which we are discussing. On June 3 of last year treasury board issued a minute approving in principle the cost of constructing a new international airport at Vancouver on Sea island. These were the rough costs which they approved at that time, so as to give the house some idea of the size of the project. The main air terminal building, $11 million; heating plant and services, $1 million; aprons and taxi ways, $2.5 million; miscellaneous services, including water, sewage system, parking, lighting, land lines, consulting services, and so on, $5,400,000; making a total estimated cost as approved by treasury board of $19,900,000.

The Department of Transport responsibility, I am told, ends at the airfield—that is to say, they are not responsible for access roads to the airport; their responsibility ends after it has been built—and so it becomes a matter for other jurisdictions to take an interest in the question of access roads. However, the federal government has allocated a sum of $50,000, as my hon. friend has indicated, for a survey which is underway to determine the best possible means of access, either by high level bridge suitable to clear the north arm of the Fraser river so as to permit passage of tugs, barges, fishing vessels

and the like, or alternatively by means of a tunnel which would go under that relatively narrow passage and provide continuous access and complete freedom for traffic both in the channel and for traffic to and from Sea island. While this survey does not implicate the federal government, it certainly indicates their considerable interest in the question of access roads to the airport.

While on the subject of this new international airport and its approaches, I discovered this afternoon while looking up some material the rather interesting sidelight that Department of Transport officials plan to hold a meeting in Vancouver on May 26 to discuss with restaurant operators who may wish to bid for restaurant concessions at the airport the problem of providing restaurant facilities. If the department can choose a concessionaire in advance and while the airport is in the planning stage, that concessionaire would be given considerable latitude in planning the facilities which he would operate. That is an indication of the extent to which planning is going ahead, and how urgent it is that planning go ahead in respect of the channel crossing which will be required just as quickly, I am sure, as the restaurant is needed.

Vancouver airport by nature is changing, and this is important when reviewing figures relating to Vancouver airport. Recently a satellite airport was built by the Department of Transport at Pitt Meadows, in the Fraser valley, to take care of light aircraft operating in the area, training aircraft, and so on. The removal of light aircraft from Vancouver international airport has substantially reduced the number of landings and take-offs from the airport and has left more room for the heavy volume of commercial traffic.

Vancouver is the hub of the largest network of scheduled commercial aircraft flights in western Canada. During the summer there will be three round trips a week to Hong Kong and Japan. There will be one flight a week to New Zealand, with an extension each fortnight to Australia. There will be two flights a week to Mexico and South America and another two to Honolulu. There will be three weekly flights over the polar run to Europe. Almost all of these flights are performed today with DC-8 jet aircraft. In addition there are dozens of flights each day to British Columbia and points in the Yukon, to eastern Canada and across the Canada-United States border to points in the United States.

The number of flights going into and out of Vancouver has increased remarkably in the last decade and seems likely to continue in the next. There were 51,000 such flights in 1953, and I am now talking about flights into and out of the city of Vancouver, not touch-down flights or local flights on and off the airport. This number grew to 73,000 in 1963, and the average aircraft size at the same time has become considerably larger. In the next 10 years a further increase of another 50 per cent is expected, according to statisticians of the Department of Transport, and the size of aircraft will again increase considerably. Only Toronto and Montreal today rank ahead of Vancouver in airport operations. Ten years ago, in 1953, there were approximately 430,000 scheduled passengers using Vancouver airport. In 1963 this number had almost doubled to 830,000. A further growth to approximately two million passengers is expected by 1975.

Let us now consider the ground traffic problem which this growing air traffic creates. I am told by Department of Transport officials that there is a general slow but steady growth in the number of private automobiles using airports in Canada. The tendency of the Canadian people is not to travel more and more by bus and commercial facilities to airports, but to take their own automobiles. Therefore the number of private automobiles using the airports of this country is rising in proportion. Airport parking facilities are becoming larger and larger. Consider this in regard to the new Toronto airport, with which we are all familiar. At the new international airport at Toronto there are 2,402 stalls in the main building for the parking of cars. In addition there are 432 stalls in the administration building and a further 800 for employees which are located closer to the cargo area. That is a total of over 3,600 parking stalls in and around the Toronto terminal.

So that when we look at this problem, Mr. Speaker, we begin to get an idea how vitally important it is that access on a permanent basis and without interruption by swing bridges is provided to Sea island, with its envisaged growth on the basis of the figures I have given. It is, therefore, for this reason that I am glad indeed to see this resolution which has been moved today by the hon. member for Burnaby-Richmond, and to have had an opportunity of bringing these figures before the house.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I listened to the very interesting statistics which the two hon. members who have just spoken have placed before the house, and in particular I noted that the hon. member for Burnaby-Richmond (Mr. Prittie) read into the record a press clipping to the effect that the minister of highways for British Columbia has already agreed to, and suggested that the government of British Columbia would be willing to go ahead with some consideration of this project, in collaboration with the federal government.

If hon. members will look at the order paper they will note the hon. member for Burnaby-Richmond put down his notice of motion on February 18, and after listening carefully to what he said I suggest that what he is asking for in the notice of motion is, in fact, already under way. It seems to me, therefore, that any discussion of this motion, or even its passage, would be superfluous. He said the British Columbia minister of highways made it publicly known that his government was prepared to participate in an undertaking to improve this bottleneck in access to the international airport at Vancouver. Now we are told that today the hon. member for Burnaby-Richmond received a reply from the Minister of Transport (Mr. Pickersgill) to the effect that the federal government, also, has agreed to undertake a survey and make a study.

The notice of motion clearly states that the government should give consideration to the advisability of doing just this. The first consideration, one would expect, is that a survey or study would be undertaken in order to find out what will be the best type of construction to meet the need. The hon. member who spoke before me indicated that $50,000 had been appropriated by the federal government to pay its share of this survey. He intimated it was necessary to find out whether a high level bridge would best meet the need or whether a tunnel would be more suitable. I would like to suggest to the hon. member for Burnaby-Richmond that he ask the unanimous consent of the house to withdraw his motion under the terms of standing order No. 49 on the grounds that what he is requesting is already being done.

Mr. Prittie: I would not agree to withdraw the motion—

The Acting Speaker (Mr. Batten): I must advise the house that if the hon. member for Burnaby-Richmond speaks he will close the debate.

Mr. Olson: Perhaps the hon. member for Burnaby-Richmond could speak on a point of order. I believe there is provision in our rules that a motion on the order paper should not call for something which has been done or which is being done, and perhaps, on a point of order, the hon. member could indicate whether he is willing to withdraw his motion so that we could get on to the discussion of some of the other motions which are on the order paper.

Mr. Prittie: On the point of order, I submit that what I am seeking has not as yet been satisfied. If this motion were passed the government would be accepting some responsibility. So far, the government has agreed to make a joint study with the government of British Columbia, and neither of the two governments has accepted any responsibility. Therefore, I would not agree to withdraw the motion, although, by unanimous consent, if the rules of the house permit, I would not object to debate ceasing at this point, provided the motion could maintain its place on the order paper.

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): First, I should like to make it clear that I am speaking as the member for Coast-Capilano, Coast-Capilano being the second most populous riding in British Columbia and probably the one which makes the greatest use of the Vancouver international airport. It includes the municipalities of west Vancouver, north Vancouver and the district of north Vancouver.

West Vancouver has the highest per capita income of any municipality in Canada and the district of north Vancouver is in the first half dozen. These people, in the main, are people in the high income brackets—people who are executives with corporations; people who often work in branch offices in western Canada. Frequently they travel not only up and down the west coast but also across Canada, and they are particularly interested in communications and in the improvement of our transportation facilities. Time is often of the essence, so any reduction in the amount of travelling time which could be brought about as a result of better access to Vancouver airport is an important matter as far as they are concerned.

We have this large airport in the Vancouver area. We have a new terminal under construction. We are now concerned with more direct access from downtown Vancouver, and it is possible by building a tunnel or a bridge across the north arm of the Fraser river to reduce the travelling time to, possibly, 20 minutes. This is a remarkably short time when we consider that it takes at least an hour to travel from most of our Canadian cities to the principal airports serving them. There have been many discussions in recent years about the ridiculous situation which is evolving with respect to air transportation. We can now travel from Vancouver to Toronto in about four hours. We can cross the Atlantic ocean in five hours, and when even faster aircraft are developed this time may be halved or cut to one third. In other words we will be able to travel thousands of miles in a matter of minutes, certainly in less time than two hours. In these circumstances it is ridiculous that we should not be making provision to reduce travelling time between the

principal centres of population and the airports. Many studies have been made with respect to using aircraft for this purpose—moving people out to the airports by helicopter, for example. But it has been found that the use of helicopters for this purpose is uneconomic and that the tariff which the individual would have to pay is many times more than the cost of the conventional limousine.

Referring again to the remarkable reduction in travelling time which has taken place in recent decades, let us think back to the late 'thirties when Trans-Canada Air Lines first began to operate a regular service across this country. It used to take 24 hours to travel from Montreal to Vancouver. After the war, as a result of the great improvements in aircraft, the speed of air transport moved up from 100 to 250 miles an hour, and in the last few years that speed has been doubled with the arrival of the large jets. Travelling time has been shortened in another way, too, because more people are travelling by air an increasing number of aircraft are being scheduled on long distance runs without intervening stops. Therefore, instead of spending 24 hours on a cross country flight, as was the case before the war, or a dozen hours in the late 'fifties, the time taken is now only four or five hours.

Looking ahead and as a result of the immense investment in supersonic aircraft, we can envisage machines which will fly at speeds of 2,000 miles an hour, capable of covering the distance between Vancouver and Montreal in a matter of, perhaps, one and a half hours. So it would seem ridiculous that we should still be taking an hour to get from downtown Vancouver to the international airport. Obviously we need to devise faster and more efficient services, particularly local services, to carry people to and from our airports.

I have a preference. I would like to see the most direct route used to the Vancouver airport. Speaking again in terms of my own personal preference, I would also like to see a tunnel built under the north arm of the Fraser river. Many of those who have travelled from the airport to Vancouver have encountered difficulties with the bridge over the Moray channel. As recently as three weeks ago the bridge stuck part way open. I happened to be in one of the limousines which were unfortunate enough to be delayed until the bridge was repaired. We sat there for several hours waiting for the repairs to be made and for the bridge to be closed. So that bridges themselves present a handicap and in my view tunnels are preferable.

We have an excellent operating example within a dozen miles of the Vancouver international airport, a much larger tunnel project under the main stem of the Fraser river. This tunnel has been very successful and in my opinion a similar development would be appropriate at the south end of Granville street, one of the main arteries leading out of Vancouver, which would take traffic in a straight line from the hotel Vancouver right out to the new Vancouver international airport that we will have in 1967 or thereabouts.

If I may refer briefly to the new air terminal itself, I trust it will be of a design that is characteristic of the west coast, that it will be constructed of materials typical of our great forest and other resources, that it will be imaginative and that advantage will be taken of the new engineering and material producing techniques which will not only reduce costs but will also make it a wonderful facility that will be a joy to the eye and convenient to operate.

I should also like to say a word about the evolution of our great transportation centres. In the era of the railway, hotels and many of the principal businesses began to congregate around the railway stations. The station area became the focal point for considerable investment in hotel, commercial, business and other facilities. This is beginning to happen in respect of our great international airports. It is beginning to happen, for instance, around the Montreal airport. One can also see the new motel-hotel accumulations taking place around Malton airport. Visitors passing through can be met at or near the airport by their business confreres or their friends. Meetings can be held conveniently and these people can then board an aircraft again and move on.

This means that many people will be commuting to airports or the areas adjoining our great airports to hold business meetings and social gatherings. Therefore access to airports becomes of great importance not only for people who will be travelling by air, but for other people who will be meeting them for business purposes or to hold social or other gatherings.

At Vancouver international airport we have numerous developments, several of which are quite remarkable. There is the headquarters base for the operations of Canadian Pacific Airlines, Canada's other great international air line. This company is very important to Vancouver not only because its headquarters and principal maintenance depot are there but because it is now providing very effective links across the northern Pacific to Japan, across the southern Pacific to Hawaii, the south Pacific islands and Australia and also south along the west coast of North America into South America. It reaches across the pole to northern Europe. It crosses Canada, and on to Madrid and Rome.

This great air line has its base at Vancouver. It is important that it continue to thrive, and one of the ways in which we can be sure it will thrive is to ensure easy access to and from Vancouver international airport. At that airport we also have the world's foremost helicopter operation, Okanagan Helicopters, a pioneer venture which earned its wings, so to speak, in the great Kitimat development but which is now pioneering many other activities, including the installation of power lines not only in Canada but in other countries such as Mexico and elsewhere. We also have Pacific Western Airlines, the regional air line which transports people who arrive on the large jets to local areas in British Columbia, northern Alberta and down the Mackenzie river. Its operations are also based on Vancouver and the Vancouver international airport.

I have looked at the resolution and I must say that substantially I agree with its content. I agree that the federal government should give every consideration to the provision of easier access in the form of a bridge or tunnel to the Vancouver international airport. However, I should also like to emphasize the fact that the federal government is in fact giving considerable consideration to this matter and is participating in a joint study with the province of British Columbia in respect of this facility. Personally I hope that a tunnel will be built and that it will be built soon. I am convinced that this is a necessary step and I am prepared to argue that the federal government should participate financially in later stages, including the construction phase of this all-important project.

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I have a few remarks to make about this motion. First of all, I congratulate the hon. member for Burnaby-Richmond (Mr. Prittie) for introducing it.

In the first place, I ask the government to consider the advisability of building this bridge and tunnel between the city of Vancouver and Sea island. But, at the same time, I suggest that the government should extend its study to other similar projects in Canada.

There is no shortage of manpower in Canada. We are well aware of the number of unemployed in the country. Technicians or architects are not lacking either; there are many of them. Moreover, we have all the building materials available for that purpose. Then, why is the government waiting to act? Once again we shall be told: It is money.

Why then does the government not use the facilities of the Bank of Canada to create credit so that development may take place in our country?

The Bank of Canada is there, at the service of the people. And as long as the people put their confidence in that institution, the government should use it to promote the welfare of French Canadians and all Canadians across the country, especially when it comes to gigantic projects such as the building of bridges and tunnels.

It is a shame to see, after hundreds of years, in the province of Quebec that not a single bridge spans the St. Lawrence river between Montreal and Quebec.

It is about time to build bridges and tunnels between the north and south shores of the St. Lawrence river—

[*Text*]

The Acting Speaker (Mr. Batten): Order. I apologize for interrupting the hon. member for Quebec West, but the Chair feels that he is moving too far away from the motion now before the house.

[*Translation*]

Mr. Plourde: Mr. Speaker, I am referring again to the matter of bridges and tunnels. I understand, from the notice of motion, that it is only a question of building a tunnel or a bridge between Vancouver and Sea island. But we, from the province of Quebec, are up against such problems; we only have a small bridge. That is why I got carried away, a while ago, and now I am going back to the beautiful province of Quebec where the government would have so much to do.

An hon. Member: Make a motion accordingly.

Mr. Plourde: Now, what pleases me in this motion is the spirit which the sponsor put into it. I hope that before six o'clock the hon. members will be well disposed towards that spirit and will approve that building project.

[*Text*]

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, the hon. member for Burnaby-Richmond (Mr. Prittie) is to be congratulated for bringing to the attention of the house this resolution urging the federal government to construct a bridge or tunnel across the north arm of the Fraser river between the city of Vancouver and Sea island in the municipality of Richmond, for the purpose of assuring uninterrupted access to the Vancouver international airport.

As pointed out by the hon. member for Coast-Capilano (Mr. Davis) the Department of Transport has this project under active consideration. Hon. members appreciate the importance of air travel. I wish to point out that according to figures released by the

Department of Transport there has been a tremendous increase in the number of people using the airways in preference to any other mode of transport. Despite a slight drop in traffic, Toronto international airport was Canada's busiest for the fifth straight year in 1963. A few days ago the federal Department of Transport revealed that 86,012 take-offs and landings were clocked, compared to 89,376 in 1962. These figures do not include strictly local traffic remaining under tower control, such as planes making practice landings.

Montreal international airport placed second for the fourth consecutive year with an 80,821 aircraft movement compared to 82,541 in 1962. However, Montreal with its heavy overseas traffic saw the largest number of giant jet airliners. Its air traffic controllers handled 15,025 movements by aircraft with a gross take-off weight of more than 200,000 pounds. Toronto international airport recorded 12,676 such movements.

Ranking third and lower, but all maintaining their 1962 standings, in non-local traffic were Vancouver international airport, with 72,881 take-offs and landings, 67,237 in 1962; Winnipeg international airport was fourth with 64,763 and 61,740 in 1962.

Mr. Barnett: I wonder if the hon. member would permit me to ask a question?

Mr. Badanai: Yes.

Mr. Barnett: I wonder whether or not the hon. member is aware of the fact that hon. members of the house have already been given this information in a press release issued by the Department of Transport?

Mr. Badanai: I am aware that some press releases containing these figures were given out, but I have no doubt there are some members of the house who are not aware of them. Of course, the hon. member has kept close check on the figures, and I believe that they bear repeating because of the importance of the subject.

As I was saying, Ottawa airport ranked fifth with 61,555 take-offs and landings and 58,469 in 1962; Calgary was sixth with 57,674 and 51,915 in 1962; Edmonton industrial airport, formerly municipal, was seventh with 49,489 and 46,810 in 1962; Cartierville, a suburb of Montreal, was eighth with 44,277 and 39,235 in 1962; Toronto island was ninth with 35,448 and 36,563 in 1962 and Victoria was tenth with 30,964 and 31,295 in 1962.

The decline in aircraft movements, Mr. Speaker, at some airports is attributed to the increased use of larger planes in commercial traffic and to a decrease in local flying. This is especially true of Vancouver international airport, which was relieved of most of its small plane traffic by the department's new satellite airport at Pitt Meadows.

Mr. Rapp: I am rising on a point of order, Mr. Speaker. Your Honour will recall that you called private members' notices of motions ten minutes before five o'clock. It is now ten minutes before six o'clock and would Your Honour consider calling it six o'clock? I am not implying to the hon. member for Burnaby-Richmond that we are tired of listening to the debate, but I thought I should bring this to Your Honour's attention.

The Acting Speaker (Mr. Batten): Order; I recognize that the house did proceed to the consideration of private members' business ten minutes before the regular hour. However, I can only call it six o'clock now by unanimous consent of the house.

Mr. MacNaught: I think it would be the desire of hon. members if you would now call it six o'clock.

The Acting Speaker (Mr. Batten): Does the house give unanimous consent to calling it six o'clock.

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Churchill: Will the house leader put on the record the business for tomorrow and Friday?

Mr. Favreau: Mr. Speaker, in answer to the question put by the house leader for the official opposition, I wish to state—and this only repeats what I said earlier this afternoon—that the first item of business to be called tomorrow will be the second reading, and the committee stage of course, of the Income Tax Act amendment. Then we will be calling the resolution preceding the bill to amend the Bank Act and also the Quebec Savings Bank Act. As our third item we will deal with the resolution preceding the bill which will call for certain amendments to the National Housing Act. That will be followed by the resolution preceding the bill to amend the Export Credits Insurance Act, following which we will take the resolution preceding the bill to amend the Farm Credit Act.

On Friday, as announced earlier, we will be taking the estimates of the Department of Agriculture.

The Acting Speaker (Mr. Batten): Order. By unanimous consent this house stands adjourned until two thirty o'clock tomorrow afternoon.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 14, 1964

The house met at 2.30 p.m.

PROCEDURE

FOURTH REPORT OF SPECIAL COMMITTEE

Mr. Speaker: I have the honour to present, in English and in French, the fourth report of the special committee on procedure and organization. It deals with two subjects that are the concern of the subcommittee on organization chaired by the hon. member for Edmonton West (Mr. Lambert).

DEFENCE

PERSONNEL OF SPECIAL COMMITTEE

Mr. J. E. Walker (York Centre) moved:

That the special committee on defence appointed May 8, 1964, be composed of Messrs. Asselin (Notre Dame de Grâce), Béchard, Brewin, Deachman, Fane, Granger, Groos, Hahn, Harkness, Lambert, Langlois, Laniel, Lessard (Lake St. John), Lloyd, MacLean (Queens), MacRae, Martineau, Matheson, McMillan, Nielsen, Pilon, Smith, Temple and Winch.

Motion agreed to.

BUSINESS OF THE HOUSE

SUPPLY—SIX DEPARTMENTS TO BE TAKEN UP ON NEXT MOTION

Hon. Guy Favreau (Minister of Justice) moved:

That, notwithstanding standing order 56 (5), on the next occasion when a motion for an order for supply is called, the estimates of six departments of the government instead of three be taken up and entered for consideration and that the said motion be deemed to be the fourth supply motion in the current session.

Motion agreed to.

HOURS OF SITTING OVER HOLIDAY WEEK END

Hon. Guy Favreau (Minister of Justice) moved:

That on Friday next, the hours of sitting shall be from 10 a.m. to 2 p.m. without interruption, and when the house adjourns that day, it shall stand adjourned until Tuesday, May 19, 1964, at 2.30 p.m.; and that in relation thereto, the provision of standing orders 2 and 6, shall be suspended.

Motion agreed to.

TRANSPORT

PROVISIONS RESPECTING BRANCH LINES, GRAIN FREIGHT RATES, ETC.

Hon. G. J. McIlraith (for the Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to authorize the implementation of certain recommendations of the royal commission on transportation with respect to the rationalization of branch lines of railways and passenger train services and the fixing of freight rates under and consistent with a national transportation policy suited to modern transportation conditions; to establish a branch line rationalization authority and a branch line rationalization fund to be continued for fifteen years to assist in the establishment of an orderly program for the improvement of the efficiency of railway branch lines; to provide authority for public funds to be used where assistance of a type similar to that provided by the branch line rationalization fund may be required after such 15 year period; to provide for payments out of the consolidated revenue fund on a reducing scale for a period of five years commencing with 1964 to compensate railways under the jurisdiction of parliament for passenger train deficits incurred in Canada during such period; to authorize payments to maintain the prevailing level of freight rates on western grain moving by rail to export positions; to permit the lapsing of the subsidy (known as the "bridge" subsidy) now provided for the maintenance of the trackage of the Canadian Pacific Railway Company between Sudbury and Fort William and the corresponding trackage of the Canadian National Railway Company between Capreol and Fort William and between Cochrane and Armstrong; to authorize agreements relating to the carriage by rail of Her Majesty's mail, and members of the Canadian forces and police travelling on Her Majesty's service and to provide further for other matters consequential upon or related or incidental to any of the foregoing.

Motion agreed to.

EXTERNAL AFFAIRS

COMMUNIST CHINA—STATEMENT BY EXTERNAL AFFAIRS MINISTER RESPECTING RECOGNITION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with reference to the NATO ministerial council meeting the Prime Minister said yesterday that whatever statement was made by the Secretary of State for External Affairs was made at a confidential session. I would ask him whether he has reviewed his statement of yesterday in that connection, particularly when it is considered alongside the fact that secretary Rusk of the United States authorized the state department to make available to the press a complete transcript of his remarks. I would ask the Prime Minister whether he would table in the house the statement made by the Secretary of State for External Affairs so that the house will be in a position to judge whether the report by Mr. Duffy in the *Globe and Mail*, a considerable portion

of which is in quotation marks, represents in fact what the minister said respecting recognition of communist China?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the meeting was a confidential one but as very often happens at confidential meetings of this kind certain delegates do give out their own statements to the press afterwards. As this has been done by certain delegates in this instance, I can see no objection to the tabling of the statement made by the Secretary of State for External Affairs, and I will be glad to see that it is done.

Mr. Diefenbaker: Does the Prime Minister have it available now?

Mr. Pearson: I do not have it available at the moment but I will table it tomorrow and I will be glad to send a copy to my right hon. friend this afternoon.

Mr. Diefenbaker: I want to thank the Prime Minister. I will then be in the same position as the press.

CYPRUS—SUGGESTED SETTLEMENT BY NATO

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I would like to direct a question to the Prime Minister. The newspapers report the Secretary of State for External Affairs (Mr. Martin) as having stated that the Cyprus problem should be settled by NATO. Could the Prime Minister tell us whether this is indeed the view of the government and, if so, how the Canadian government believes NATO can settle the Cyprus question?

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, I am afraid I cannot answer the last part of my hon. friend's question. So far as the first part is concerned, I think it is undoubtedly a matter of concern for NATO and that NATO has a definite responsibility in view of the fact that two of the governments directly concerned—indeed three, if you include the United Kingdom—are members of NATO. I have no doubt that when the Secretary of State for External Affairs is in his place he will be making a report on the council meeting and will be able to deal with the points raised by the hon. gentleman.

Mr. Harkness: A supplementary question to the Prime Minister: in view of the fact that the United Nations is already attempting to settle this dispute, does the government believe it should withdraw in favour of NATO taking over this duty?

Mr. Pearson: No, but surely it is possible for NATO, which is concerned with this dispute, to see what can be done within the ambit of that organization to make a solution easier to find.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Has the Prime Minister worked out in his own mind how a mediator such as the secretary general of NATO could operate alongside a mediator appointed by the United Nations? That is a difficulty which I see in the statement made by the minister.

Mr. Pearson: I do not know whether that is the difficulty to which the hon. member for Calgary North was referring. But I do appreciate the difficulty of the position mentioned by the right hon. gentleman. While I am not familiar with all the details of the appointment which was just made, I believe that this appointment of Mr. Galo Plaza the former president of Ecuador as mediator was intended to take some of the burden off the commander-in-chief of the United Nations forces who had been asked to intervene in certain situations which could be turned over to a civilian representative of the United Nations. If that is the situation, I think Mr. Galo Plaza's appointment will be a helpful one. It is not meant, I understand, to replace the task entrusted to the mediator, the former prime minister of Finland.

Mr. Diefenbaker: Has the mediator appointed by the United Nations, the former prime minister of Finland, been consulted in connection with the proposition advanced by the Secretary of State for External Affairs that there should be a NATO mediator as well?

Mr. Pearson: I do not think it is a question of appointing a NATO mediator. The suggestion made by the Secretary of State for External Affairs at the NATO council meeting was, as I understand it, that the NATO members particularly concerned should get together and see what they could do to ease the situation in Cyprus. Of course, it would not be desirable for them to intervene in such a way as would cut across the work of the mediator appointed by the United Nations.

CYPRUS—REPORTED INADEQUACY OF TRAINING

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister seen reports which appeared in yesterday's *La Presse* by one of their correspondents in Cyprus to the effect that some officers have some reservations as to the type of training which our forces sent to Cyprus

have received in regard to the role they are actually discharging; that their United Nations standby training is not adequate for the type of job they have been assigned?

Hon. Paul Hellyer (Minister of National Defence): No, I have not, Mr. Speaker.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—STATEMENT ON REQUEST FOR ASSISTANCE

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps I can continue these courtesies with the right hon. Leader of the Opposition by answering a question he raised the other day regarding the situation in the Alberni valley and the federal government's relationship thereto. I hope I will be forgiven, Mr. Speaker, if the answer is a little longer than normal.

As soon as the news of the damage caused by the tidal wave in the Alberni area was received the government, as the house knows, made an offer of assistance to the government of British Columbia, subject to the usual condition, namely that the federal government be given details of the extent of the damage and an indication that the cost of meeting the damage was beyond the means of the local municipalities and the provincial government. We have not yet been given the report of the experts appointed by the province to assess the damage but we have been informed, as the house knows, by telegram from Premier Bennett that the net depreciated loss suffered by private citizens amounts to approximately $1.5 million.

While Premier Bennett has not, of course, maintained that this sum is beyond the financial capacity of his province, he did propose that the federal government should provide one half of the amount. As my right hon. friend knows, I think, it has not been the practice in the past for the federal government to meet 50 per cent of the loss sustained in a local disaster where the scale of the damage was well within the capacity of the provincial government. In the present instance, therefore, the government has concluded that it would be preferable to make a substantial grant to the disaster fund than to follow the policy proposed by the government of British Columbia. Therefore, Mr. Speaker, the government has decided to make a grant of $250,000 to the Alberni valley disaster fund.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): The Prime Minister, Mr. Speaker, has mentioned the general rules that have applied in the past with regard to assistance on the part of the federal government, and with his statement in that regard I am in entire agreement. Might I suggest, however, that the amount that is being provided by the federal government as a grant, while substantial, is considerably less than members generally would have expected in view of the loss suffered by so many private people.

Is there any possibility—and I can go no further—that there would be a reconsideration given to increasing that amount? I think that Canadians as a whole would have felt the situation would have been met had the amount been at least double that which has been provided. I ask the Prime Minister, is there any possibility of giving reconsideration to this? I know the difficulties, and I am not trying to place him in an embarrassing position.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I see him looking at the Minister of Finance who, apparently, is also interested in this question. I think that the general question I have asked is a reasonable one under the circumstances.

Mr. Pearson: I am quite sure the right hon. gentleman would not wish the government to retreat from a decision which has been made.

Some hon. Members: Oh, oh.

Mr. Pearson: Naturally, when the Leader of the Opposition makes a request of this kind for reconsideration the government is always happy to reconsider. I cannot give him any assurance the result of the reconsideration will be any change in policy.

Mr. Diefenbaker: I would say to the Prime Minister that in this case I would not call it a retreat; I would simply call it a realistic reappraisal.

Mr. T. C. Douglas (Burnaby-Coquitlam): While I do not believe the members of the house would ask the Prime Minister to make a retreat, they would like him to advance on this matter. In view of the fact this sum is only one sixth of the estimated cost of the damage, a relatively small contribution, is the government still keeping open the possibility of acquiescing to Premier Bennett's request to put up one half of the total damage estimated at $1.5 million, when the details of that damage are available to the federal government?

Mr. Pearson: There have been certain principles laid down for federal participation in relief measures of the kind that I have been talking about. I think those principles are reasonable ones, that when the locality and the province can deal with a disaster then they should accept that responsibility because it is their primary responsibility. When they

make a request to the federal government, the federal government should acknowledge that request and do what can be done in the circumstances.

I think in these circumstances that exist today, Mr. Speaker, that a grant of $250,000 to the fund is not an unreasonable one, having regard to the practice and principles of the past and the undesirability of creating a precedent in future, by which the federal government will have to take primary responsibility for all disasters, however local they might be.

Mr. Douglas: I am sure the Prime Minister will recall the precedent set in the Rimouski fire, which could hardly be considered a national disaster, yet assistance was given in that case although it was not beyond the capacity of the province. Are we to take it from his statement that the request of the government of British Columbia for half of the cost of the damage is now being rejected?

Mr. Pearson: All I can say, Mr. Speaker, is as I have told the right hon. gentleman, that I will re-examine the situation.

Mr. T. S. Barnett (Comox-Alberni): As a supplementary question, Mr. Speaker, I would like to ask the Prime Minister whether, in view of the gap which now remains between the amounts suggested by the provincial government as its contribution coupled with that which he has announced, he would at least consider taking some steps at the federal government level to assist the voluntary committee in furthering their appeal for voluntary contributions, so that the gap, not only between the figures on this depreciated net value but the much larger gap between these amounts of the total required suitably to re-establish the victims, can be met?

Mr. Pearson: I will be glad to take that into consideration, Mr. Speaker.

[*Translation*]

Mr. Gérard Laprise (Chapleau): A supplementary question, Mr. Speaker. Can the Prime Minister tell us if the fact that a contribution of a quarter of a million dollars as assistance to the victims of the disaster that occurred in British Columbia could impair the autonomy of that province?

[*Text*]

Mr. Speaker: Order please. It seems to me this question is more by way of a general statement. If it was intended to be a question, it is far too wide to ask at this time.

[Mr. Pearson.]

HUMAN RIGHTS

PROHIBITION OF STRIKES UNDER B.C. POWER BILL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask the Minister of Justice a very proper question of national significance reaching into the future. It is based on an act to establish the British Columbia Hydro and Power Authority passed by the British Columbia legislature on March 10 this year. It is further based on section 53 of that act which reads:

> Notwithstanding any specific provision in any act to the contrary, except as otherwise provided by or under this act, the authority is not bound by any statute or statutory provision of the province.

Further, in view of that fact that section 56 makes it illegal for employees of the authority to strike, would the minister give this bill very careful consideration when it comes into his hands to make sure there is no violation of the bill of rights and to arrest the development of czardom in Canada?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, of course this bill will also be given full and careful consideration, like all the other bills submitted to the Department of Justice for the purpose provided by law.

NATIONAL DEFENCE

QUEBEC—CLOSING OF RADAR STATIONS

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I would like to direct a question to the Minister of Industry. I would like him to tell us what is the policy of his department concerning those places where the radar stations are to be closed shortly.

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper?

Mr. Choquette: Mr. Speaker, I would like to avail myself of provisional standing order 39A and transfer this question for debate at ten o'clock, if you please.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Industry, if he will listen to me.

Could the minister tell the house what the government intends to do in order to assist families who are in a critical situation following the decision of the government to close the radar station at St. Sylvestre, in the county of Lotbinière?

Mr. Choquette: That is exactly the same question I have already asked.

[*Text*]

Mr. Speaker: Order, please. Would the hon. member put this on the order paper.

[*Translation*]

Mr. Pigeon: May I raise that question again after ten o'clock tonight?

[*Text*]

AGRICULTURE

CHEESE—INQUIRY AS TO EXPORT ASSISTANCE

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): I have a question of great importance to the dairy industry to address to the Minister of Agriculture. Is the minister yet in a position to inform the house what export assistance is to be offered to producers of cheese?

Hon. Harry W. Hays (Minister of Agriculture): The stabilization board announced this morning that they would be supporting the export of cheese by two cents a pound. This is one cent less than a year ago.

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, may I ask a supplementary question?

Does that mean two cents less per pound than two years ago, when the Conservative government was in office?

[*Text*]

Mr. Hays: Yes, it was four cents a year ago. We reduced it by one cent and, this year, in line with the current export market situation, we thought it should be reduced another cent.

Some hon. Members: Shame.

Mr. Hays: The producers of milk will still receive more for their milk than they did under the previous administration.

Some hon. Members: Hear, hear.

Mr. Speaker: May I suggest to hon. members that if the questions are to be as political as this we must use a little control. But if these are inquiries for information, then by all means proceed.

Mr. Thomas: I was about to ask the minister if he could explain briefly the reasoning behind this action by the board.

Mr. Hays: I will be very pleased to do this, Mr. Speaker. In 1961 the price of cheese in Great Britain was the equivalent of 29 cents a pound. The government of the day thought that this price should perhaps be supported by four cents a pound by way of export subsidy. Subsequently the price of cheese increased. In Great Britain it is now over 33 cents a pound, which is quite a bit higher than the 29 cents when the four cent subsidy was required, so it is now considered in the best interests of all that this subsidy should be reduced by a further one cent per pound.

[*Translation*]

Mr. Vincent: Could the Minister of Agriculture tell us whether he has received a request signed by the cheese producers of central Quebec areas regarding that new policy he announced to the house on April 29 of this year? If so, has the minister any comments to make?

[*Text*]

Mr. Speaker: Order. This question is very important, I admit, but nevertheless it is not so pressing as to demand an immediate answer. Would the hon. member put it on the order paper.

[*Translation*]

Mr. Vincent: Mr. Speaker, may I transfer that question for debate at ten o'clock this evening?

[*Later:*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I put a question to the Minister of Agriculture?

Could the minister tell us whether it would be possible for fluid milk producers to obtain a subsidy on cheese manufactured with surplus fluid milk in Canada?

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I shall be glad to raise the question after ten o'clock tonight.

[*Text*]

[*Later:*]

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, because of the announcement of the Minister of Agriculture a few minutes ago that there has been a further reduction of one cent per pound on the export subsidy on cheddar cheese, I wonder whether the minister would express his view as to what effect this will have on the cheese producers' board selling our cheddar cheese to overseas markets.

Mr. Speaker: Order, please. The question, though important, has not that sense of urgency that is required under the rules as given me by the house. Would the hon. member put his question on the order paper.

Inquiries of the Ministry

Mr. Webb: It is very important, Mr. Speaker—

Some hon. Members: Order.

Mr. Webb: Mr. Speaker, I transfer this question for debate at ten o'clock.

REQUEST FOR REPORT ON PROGRESS OF COMMITTEE ON DAIRY INDUSTRY

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister tell us whether the committee of 16 members set up in February, 1963, composed of representatives of the dairy industry in Ontario and Quebec and representatives of all three governments, to study the problems of the dairy industry has met since the date it was set up?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I am not sure whether they have met regularly. If it is the committee to which I think the hon. member is referring, it has been meeting quite often.

CANADIAN FLAG

TORONTO—RESOLUTION RESPECTING RETENTION OF RED ENSIGN

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister had any conversations, either directly or over the telephone, on or since last Sunday with the mayor of Toronto concerning the proposed recommendation of Toronto city council for the retention of the red ensign as Canada's national flag; and in particular with respect to questions of federal and municipal jurisdiction in this regard?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

BROADCASTING

REQUEST FOR APPOINTMENT OF COMMITTEE

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the Secretary of State?

Would he be able to tell us today, or in the near future, when he intends to create a committee of inquiry in respect of the C.B.C. and what kind of committee will be created for that purpose?

[Mr. Speaker.]

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I hope to be able to make a statement next week.

[*Text*]

HOUSE OF COMMONS

FRENCH REPORTERS FOR HOUSE OF COMMONS COMMITTEES

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct my question to the Secretary of State. Has he made arrangements to have French reporters at the committees? We have borrowed French reporters for the committee on privileges and elections, a very important committee, but it now seems that we are going to lose one of them. Surely during the next few days the Secretary of State will be able to assure us that French reporters will be supplied so that we can proceed without the undue delay which we had the other day.

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I made it quite clear yesterday that this question does not come under my own responsibility.

[*Later:*]

Mr. Woolliams: Mr. Speaker, I wish to direct a question to the Minister of Justice but in his capacity as house leader and commissioner of internal economy. Is the minister prepared to recommend to that committee that money be made available for French language reporters, so that committees may carry on their work in the House of Commons?

Hon. Guy Favreau (Minister of Justice): Yes, of course, Mr. Speaker; but this matter as the house may know, is under consideration by the committee at the present time.

REQUEST FOR REPLIES IN FRENCH TO QUESTIONS ON ORDER PAPER

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, may I direct a question to the Minister of National Revenue?

Yesterday, in reply to question 1,045 the Minister of National Revenue stated that 421 English speaking civil servants were attending French language courses. Could the minister urge his own department's officials to attend those courses so that they can provide answers in French to the questions put by us on the order paper?

[*Text*]

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I have always followed the practice of giving a reply in French to a question which is asked in French.

HOLIDAY WEEK END FOR STAFF

On the orders of the day:

[*Translation*]

Mr. Albert Béchard (Bonaventure): Mr. Speaker, I should like to direct a question to the Prime Minister which fills the two basic requirements: urgency and national interest.

Could the Prime Minister tell the house whether the secretaries, in short, all the staff of the House of Commons is going to benefit from the coming long week end?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I think they will, Mr. Speaker, but this matter is really in your hands.

PUBLIC SERVICE

REPORT OF COMMITTEE RESPECTING COLLECTIVE BARGAINING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. Could he say when we may expect from the government a report on the work being done by the committee set up to investigate the possibility of collective bargaining between the government and the public service?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have had an interim report which I think I gave to the house some weeks ago. I will make inquiries to see whether I can get a second progress report, and if so I will be glad to make it available.

Mr. Knowles: A supplementary question. Does the Prime Minister know whether the government will be in a position to bring in legislation on this matter at this session?

Mr. Pearson: Mr. Speaker, I understand that the committee is not expected to complete its work until the autumn. We will be glad to include it if there is room on the parliamentary program, but I suspect it will be difficult to have this matter dealt with legislatively during this session.

TRANSPORT

FLASHING DOME LIGHTS ON LOCOMOTIVES

On the orders of the day:

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I have a question for the Minister of Transport, but in his absence perhaps the acting minister could answer it or take it as notice. Is consideration still being given to representations made by individuals or organizations from central Alberta concerning the installation of distinctively coloured flashing dome lights on locomotives in Canada?

Mr. Speaker: I do not have much doubt about suggesting that this question be put on the order paper.

Mr. Moore: Mr. Speaker, it concerns every person in Canada.

DOMINION-PROVINCIAL RELATIONS

QUEBEC—STATUS AS AN ASSOCIATE STATE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct a question to the Prime Minister?

Could he tell the house whether he shares the opinion expressed by a minister of the Quebec government, namely Hon. René Lévesque, to the effect that he drew his inspiration from Mr. Pearson when he stated that Quebec should be an associate state?

[*Text*]

Mr. Speaker: Order, please. This question is obviously out of order.

Mr. Pigeon: It is very serious.

BUSINESS OF THE HOUSE

MEASURES TO BE CONSIDERED BEFORE SUMMER RECESS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, a week ago yesterday I asked the Prime Minister whether it would be possible for him to outline at an early date the program of legislation which it is desirable that the house deals with prior to a summer recess. The Prime Minister promised to make a report at an early date and I am wondering whether he expects to do so fairly soon?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope that the early date will be tomorrow, when I hope to be in a position to give the house a list of the legislative enactments which it is hoped will be dealt with in this session, either before or after the summer "long week end".

INQUIRY FOR RETURNS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, when the Prime Minister is making his report to the house, would he also let the house have a record of the number of returns which have not been

brought down from the last session, and also for the present session, so that we will have a complete record?

Right Hon. L. B. Pearson (Prime Minister): I will do even more than that, Mr. Speaker. I will give the right hon. gentleman a return of the record number of questions which have been answered and orders which have been tabled.

Mr. Diefenbaker: I am interested in those which have not been revealed.

LABOUR CONDITIONS

INQUIRY AS TO STEPS TO DEAL WITH UNEMPLOYMENT

On the orders of the day:

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the fact that there are still over 400,000 unemployed in Canada, could the minister tell us what plans he has to provide jobs to Canadians who wish to work, and who at one time believed that the Liberal promises were going to be fulfilled?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the statistics released yesterday by the dominion bureau of statistics show a progressive reduction in unemployment—

Mr. Ricard: It is still 400,000.

Mr. MacEachen: —indicating the lowest unemployment figure since 1957. It is our expectation that the continuing application of the policies of this government will effect a further reduction in the unemployment level.

Mr. H. Russell MacEwan (Pictou): A supplementary question to the Minister of Labour. Since the minister was in the Atlantic area yesterday, may I ask him what plans he has to counteract the still high unemployment in the Atlantic area, which I believe is around 12 per cent.

Mr. MacEachen: Mr. Speaker, the present unemployment of the Atlantic provinces is considerably below that of the best year of the former government.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to ask a supplementary question. Can the Minister of Labour tell us whether the statistics published yesterday and concerning the number of unemployed in Canada include only those registered jobless people who are drawing unemployment insurance benefits, or whether they also include people out of work who draw social assistance benefits and who are not on the list of unemployment insurance benefits at the present time?

[Mr. Diefenbaker.]

[*Text*]

Mr. MacEachen: Mr. Speaker, the statistics released yesterday have been developed as the result of the studies of an interdepartmental committee appointed some years ago to establish a uniform method of measuring unemployment in Canada. That interdepartmental committee was chaired by the former deputy minister of labour and its results were accepted by the former government in 1960. This survey is the monthly labour force survey conducted by the dominion bureau of statistics. It is conducted on a uniform basis throughout the whole of Canada and has been, since the acceptance of this report, regarded as providing the official statistics on unemployment. These official statistics on unemployment are issued monthly in a joint statement to the press, produced by the Department of Labour and the dominion bureau of statistics. If my hon. friend wishes to secure a copy of this report from the Department of Labour, he will find in it a full explanation of the difference between this official measurement of unemployment and the figures of those registered from time to time at the national employment service offices.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker. I feel that the Minister of Labour has not answered the question at all. I asked him whether official statistics on unemployment include only those who receive benefits or whether they also include all unemployed, even those who do not get such benefits.

[*Text*]

Mr. MacEachen: Mr. Speaker, the official statistics are the result of a sample survey conducted, and represent an attempt to secure a measure of persons willing and able to work and seeking jobs. The statistics in the national employment service offices for unemployment insurance purposes and for registering unplaced applicants are an entirely different matter and give different results. To get a full explanation of these differences and the different purposes for which each of these sets of statistics is kept, I refer my hon. friend to the report prepared in 1960, which is still the basis for the issuance of these unemployment statistics.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to ask a supplementary question. Is the Minister of Labour aware that those statistics concerning unemployment insurance are I would say, almost false?

I request that this matter be considered after the house adjourns at ten o'clock tonight.

[*Text*]

Mr. Speaker: Order. May I suggest that if further details and questions are necessary in regard to the statistics being right or wrong, if such questions could be put on the order paper I am sure detailed answers could be given. Then, if the answer is not satisfactory, the matter should be raised again.

Mr. MacEachen: Mr. Speaker, with respect to the proposal of my hon. friend to refer this matter to the evening adjournment debate, I wish to rise on a point of order and suggest that in light of the fact that my hon. friend asked no question at the time, it is quite improper for him to refer a subject matter of this kind to the adjournment debate.

Mr. Heath Macquarrie (Queens): Mr. Speaker, I wish to ask a supplementary question having to do with the statistics being right or wrong. Knowing the minister's pride in the statistics for the rest of the country, could he tell the house what his plans are to bring the terribly high unemployment figures in the Atlantic region somewhere close to those which apply nationally?

Mr. MacEachen: It is apparent to the government, and to most observers in the country, that unemployment at present in Canada is largely an area or regional problem and is greater in certain areas of the country. I am sure my hon. friend is pleased to note that in the past year there has been a significant reduction in the very high unemployment levels that prevailed in previous years in the Atlantic provinces. We hope that the application of the area development agency, the special tax concessions provided by the Department of Finance, and the work of the newly capitalized Atlantic development board will have a significant effect in reducing unemployment in that area.

Mr. MacEwan: A supplementary question, Mr. Speaker. In reference to the minister's answer, may I ask him whether he has now had a reply from the last mentioned board, the Atlantic development board, on the matter of the very high unemployment in the Pictou county area, which was referred to the minister in a question asked by the hon. member for Burnaby-Coquitlam (Mr. Douglas) several months ago? Has he received a reply from the Atlantic development board in connection with the study to be undertaken?

Mr. MacEachen: Mr. Speaker, I shall be glad to draw this matter to the attention of the minister reporting for the Atlantic development board.

Mr. Ricard: Mr. Speaker, a short while ago the minister referred to action taken by his colleague the Minister of Finance. Was the minister referring to the 11 per cent tax?

Mr. MacEachen: No, Mr. Speaker; I was referring to the special tax concessions, which have had the effect of providing substantial, new industries in high unemployment areas.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State. Does the legislation which is now before the provincial legislature of Newfoundland, which would change the name of that province from Newfoundland to Newfoundland and Labrador, require an amendment to the British North America Act?

Mr. Speaker: It seems to me this also is a question for the order paper. Perhaps that last wise decision of mine should be qualified slightly in that the question asks for a legal opinion.

INCOME TAX ACT

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill No. C-91, to amend the Income Tax Act.

Mr. Churchill: Is the minister going to make a statement?

Mr. Gordon: Mr. Speaker, I made some general comments on the various paragraphs of the resolution which preceded this bill and I think it is unnecessary to repeat these at this stage. I shall, of course, be glad to give a detailed explanation of any clause on which members may have questions as the committee deals with the clauses of the bill in turn.

The bill is based very closely on the resolution approved by the committee of ways and means on April 28. As I indicated at that time, the bill contains a few amendments not specifically referred to in the resolution but these are generally of a technical nature.

Mr. Lambert: On a point of order, Mr. Speaker, I wonder whether the minister's colleagues who have access to his microphone would please conduct their conferences outside. We cannot hear a thing he is saying.

Mr. Gordon: I would be glad to support that suggestion. As I indicated at that time, the bill contains a few amendments not specifically referred to in the resolution but these are generally of a technical nature or designed to correct sections of the law which have been found over the years to have results not originally intended.

The bill contains 25 clauses but a number of these are consequential upon amendments

to other clauses. The explanatory notes in the bill itself will indicate the nature of each amendment and I shall be glad to add to these where requested. The interval since the bill was given first reading on April 28 has given those interested in its application a chance to examine all its provisions carefully.

Again this year the Canadian tax foundation arranged to have members of the legal and accounting professions come to Ottawa to examine the bill and as usual this careful scrutiny by expert practitioners in the tax field has proven to be helpful. All suggestions for changes in the bill have been carefully examined and some of these suggestions have been marked for further study before next year's legislation is presented. When the committee reaches the relevant clauses I propose to move one or two amendments based on suggestions we have received which I believe will clarify the meaning of the proposed legislation.

As indicated in the resolution, the bill contains an amendment concerning the deduction to be allowed in 1964 to parents of children age 16 and 17 in respect of whom the new allowances will be paid. It also contains an amendment to modify the definition of a child qualified for family allowance, which is consequential upon payment of the new allowances. When these parts of the resolution were under consideration in committee a number of members asked questions about the administration of the new allowances and the comparison of the position of parents of children age 16 and 17 in Quebec and the rest of Canada.

It was apparent that some members were reluctant to deal with the income tax changes related to the new allowances until more information was available about the allowances themselves. Legislation will be required to provide for payment of the new allowances and also to authorize an additional income tax abatement or equivalent compensation from the federal government to the province of Quebec equal to the amount which the federal government will save because it will not be paying allowances to children age 16 and 17 in Quebec. Since this legislation will have to amend the Income Tax Act in any event to adjust provincial abatements I believe it would be much easier for hon. members to deal with all these changes at one time. In this way members will have before them the details of the administration of the new allowances, the arrangements for fiscal compensation for Quebec and the related income tax changes, and they may then be considered together. For this reason I propose to ask the committee when we reach that stage to consider amendments to delete two portions of the bill which relate to the new allowances. I shall place these amendments before the committee when the relevant clauses are reached.

[Mr. Gordon.]

Mr. Diefenbaker: Before the minister concludes, in order to assist the house would he set out in general terms the amendments he intends to move when we get into committee? I think that would shorten the debate on second reading greatly.

Mr. Gordon: I will be glad to do that. The first change is a technical one to clause 5. I do not know whether hon. members have the bill before them. The amendment is to lines 37 to 39 on page 5 and it adds the following words: "at the time the outlay or expense was incurred and at the end of the second taxation year following the taxation year in which the outlay or expense was incurred". I think it might be easier if I gave the explanation of the proposed technical amendment when we come to that point. On page 6 of the bill an amendment is proposed to lines 12 and 13 of clause 5 which would add the following words: "on the first day of the third taxation year". Again it is a technical amendment suggested by the tax foundation.

Mr. Lambert: These do not have any relationship to the family allowance question at all.

Mr. Gordon: No. The next amendment is to clause 7 (3) and its purpose is to strike out subclause 3.

Mr. Diefenbaker: Subclause 3?

Mr. Gordon: Yes. That is the explanation I gave a moment ago, Mr. Speaker, that it will be dealt with more easily, I think, when we come to the legislation dealing with the whole subject. Similarly, in clause 24 there is a consequential change in subclauses 2 and 3. The proposed amendment will delete the redefinition of a child qualified for family allowances.

Mr. Monteith: What is that last one?

Mr. Gordon: Clause 24. Those are the only changes.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on the second reading of a bill the rules of relevancy demand that we discuss the principle, and immediately there comes to mind the question, what is the principle of this bill? One could say that we must discuss certain amendments to the Income Tax Act. However, there comes to mind some other principles. Are there not any

principles of revisionism or retreat from that so-called bold experiment of last year?

Let us look at what there is in this regard. We have today an amendment to the increased withholding tax which was imposed last year which returns us to the position prior to last year's budget. If we look at paragraph 12 of the resolution, we find some changes with regard to depreciation incentives. There are more revisions in the matter of designated areas, and all that is related to that question. Then, we have possibly one of the most complicated clauses that I have ever seen. I refer to paragraph 16 of the income tax resolution in which we are getting practically a book on the definition of Canadian ownership, in order to plug loopholes that have become apparent in only a few months of administration. Last year it was pointed out very clearly to the minister by speaker after speaker in this house, and by writers outside, that he was starting out on very tricky ground in connection with Canadian ownership. Events have proven that to be so, even from the legal point of view. Later on, I am going to come to the question of whether there has been any change in the equity holdings of Canadians in corporations as a result of this. Certainly, I would appreciate any information the minister can give us in this regard.

We have spoken about the revisions. Now, we come to the extensions. Of course, there shall always be extensions of certain principles in amendments to the Income Tax Act. We have the one dealing with part-time students. It is an extension of the exemptions that have been granted to full-time students a year or two earlier by the previous administration. We have an extension of the exemption granted to a taxpayer for a brother or sister over 21 who is also completing his or her education. Then, we have the particular items dealing with pension plan provisions, which are extensions either in amount or in ambit of the present provisions of the act.

Finally, we come to new departures. These are very limited indeed compared to last year. We have, first of all, contained right in the very first clause of the bill, provision for allowance for legal costs in respect of an appeal against an assessment. At a later stage in the deliberations I certainly want to go into the complexities of the drafting and what is apparent on the face of the bill before us, and what the minister has had to say during discussion at the resolution stage. I will go into the complexities of this because, somehow or other, it seems to me the cart has been put before the horse.

First of all, the act says that you shall add to income the legal costs awarded to you by a court. Then, somewhere else, and you have to go looking for the section, the act allows legal expenses. At the moment I have the 1962 consolidation and the 1963 amendments, so I find it difficult to find this provision, but I will find it if it is there. Then, what confused me no end when I was reading the minister's remarks at the resolution stage, for which I was not present, was the fact he indicated there would be allowed solicitor and client costs including the expenses of a solicitor coming to Ottawa if he accompanied the taxpayer. If you read section 1 of the act it says, "Legal costs awarded to him by a court on appeal", and that shall be added into income. As I say, at first sight this is somewhat confusing and it only points out the difficulties I indicated to the minister at the time of the budget debate.

When you get into these legal costs, what is the yardstick that the department is going to apply? I realize that, in so far as the rule of relevancy is concerned, this has to do with the administration of the Department of National Revenue. I feel the minister might consult with those who administer the act because the administration of the act is just as important as the implementation of the act. What is the yardstick they are going to apply, for instance, to solicitor and client costs? It may be that one solicitor may charge a moderate fee. On the other hand, one may run into what you might call high priced counsel. What is going to be the criterion for determining the adequacy or otherwise of legal costs? There must be some limitation or some yardstick that can be applied to all taxpayers. We know that solicitors' costs vary from province to province as do accountants' fees vary from province to province. There are regional differences, so what is going to be the criterion? I should like to have an answer from the minister.

I was a little surprised when the minister did suddenly retreat, it seems to me, from a very dangerous position on the matter of family allowances. After all, there are pages and pages of discussion at the resolution stage primarily concerning the differences in the allowances to parents in the nine provinces other than Quebec, as compared with a person who is a taxpayer in Quebec, when the children are qualified for family allowances. We will come to that discussion, the minister says, at some date in the future when, I presume, the amendments to the Family Allowances Act will be introduced, along with corresponding amendments to the Income Tax Act. I must say that I would have thought the minister and his colleagues, after the experience of last year, would have learned a lesson to stay out of this type of situation whereby he is trying to make one

group of taxpayers in one part of the country subject to one consideration, and the vast bulk of the taxpayers in the rest of the country subject to another consideration.

I for one cannot see why there should be any distinction with regard to education in respect to this proposal for family allowances. After all, so far as the older age groups are concerned, family allowance does provide that they must be attending a school. It would be so simple to propose an amendment to the Family Allowances Act and leave it at that.

If the province of Quebec does already pay an allowance to students in the age groups of 16 and 17 years, provided they are going to school, well, more power to the province of Quebec for doing so, so long as they find the money for it. If they find they have the money to do it, then all very well; but if we say federally we cannot do it because they are already doing it, therefore we are setting up two classes of taxpayers in this country, and to me this is unacceptable.

We are all taxpayers in Canada, all in the same category. Because I happen to live on one side of the Ottawa river as against the other, I can see no difference at all in regard to family allowances. The point is that the children in Quebec shall be treated the same as children in other parts of Canada. They will derive the same benefits from the same source. I can see no cause for complaint.

The act does say that they shall be attending school, and makes provision if they are infirm or otherwise. There are some modifications. Certainly we do not pay family allowance to a child aged 14 or 15 anywhere in Canada, if that child be working. He must be attending school, so why create this distinction after the age of 16 and 17 years?

As a matter of fact, I am very pleased to see the minister withdrawing this nonsense from his income tax bill. To me it is absolute nonsense that we have this distinction. I know some of my colleagues are going to have some more things to say about it and, though the minister has indicated he is withdrawing it, it is still part of the bill and therefore we can discuss the matter. I hope that what the government will hear during this debate will serve as guide lines to it for amendments in the future.

We have seen the three categories of amendments that are being brought forward. Be that as it may, the discussion is not going to be as extensive this year as a year ago. Last year we had difficulty keeping up with the changes and the various versions. There have been no changes this year except the one we have just heard of, and the one contained in paragraph 17 of the resolution concerning the rate of abatement, which arose out of the Quebec conference between the federal government and the provinces.

Going back to the things about which I have spoken, and dealing first with the withholding tax, I would consider this amendment to the withholding tax a confession of abject failure on the part of the government. I am sure this has been forced on it by the criticisms which came from abroad, particularly from the United States, in the investment field, and I more than suspect from government level. The criticisms have come from domestic sources here in Canada in the investment field. They came in this house, and actually they followed the predictions made in this house last year by both the Leader of the Opposition (Mr. Diefenbaker) and my colleague, the hon. member for Digby-Annapolis-Kings (Mr. Nowlan).

This withholding tax and its combination with the provisions last year, which attempted to induce a greater degree of Canadian control of our corporate entities, has not worked out at all. I do not think you will ever use a stick to force Canadianization, certainly not to the degree the minister was hoping for.

Now, let us turn to the depreciation incentives which were set up under resolution No. 4 and are covered by certain of the clauses in this bill. I am concerned as to why there is presently introduced into the legislation a distinction of fair market value as against capital value of the goods, if 95 per cent of the goods to be used must be new. If they are new, why is there this disparity between fair market value and the capital value? This deserves a full explanation, because last year the minister clearly indicated that this, being by way of an incentive, could not cover used equipment and capital goods. They had to be new in order to induce production.

I can see the philosophy behind that reasoning, but there must be some specific reasons why this distinction of fair market value as against capital value is now introduced, and I hope the minister is able to furnish us with those reasons.

Dealing with clause 13 on page 10 we have here introduced the word "owned" as against "leased", while last year the amendment as introduced spoke only of "leased". Now we come to a further distinction, or the introduction of the word "owned", and again we would like to have a full explanation.

Then we go along to further changes in the depreciation incentives as to designated areas. Paragraph 5 of the income tax resolution, with its amendments in the act show that the minister is actually incorporating into the act a provision to deal with a problem I raised with him last year and about

which he, as I remember, rather casually told me, "Oh well, that would naturally follows".

This deals with what the Minister of Industry (Mr. Drury) has indicated regarding a certain area that is a designated area; but as a result of administrative changes or, shall we say, an improvement in economic conditions it no longer retains that status of designated area. But someone has started to build under this particular provision, and the question arises, does that company or individual lose the advantages of the depreciation incentives? The answer, of course, is no. They continue as though the area had continued to be a designated area. But now the minister is asking us to incorporate it in the act, and I am glad his advisers have seen the light of day in this regard and have not said, quite so casually: Oh, that would follow.

Then we come to the extension of these depreciation incentives to March 31, 1965. This is a two year extension. I recall that last year during the debate on this subject hon. members advised the minister that the period originally set was too short to enable companies to assess the situation, carry forward construction and get into business. I am glad to see these provisions are being extended for two years, but I would issue a word of warning: The minister had better make this the terminal point, otherwise this theory of depreciation would become permanent, and I do not think the hon. gentleman's taxation program could stand it.

I think the minister will agree that as a result of the fixing of the original time period some people have certainly been prejudiced. Many a businessman must have looked at the situation and said: I cannot possibly do anything in two years, so it is no use my going ahead and attempting anything in these designated areas, because we shall not be able to comply with the requirements of the act. If the act had originally included the date March 31, 1967, I feel there might have been more activity under this section. If the minister has any information with regard to the number of firms which have taken advantage of these provisions, or indicated that they are taking advantage of them, we would certainly like to have it. I believe there was some discussion of this on the resolution stage.

I should like to pass, now, to the matter of the degree of Canadian ownership as dealt with in paragraph 16 of the resolution—a subject which occupies a great many of the pages of the bill before us. This is almost a book, and I am wondering, frankly, just to what extent this whole experiment has meant any achievement. I have here an article written by the financial correspondent of one of the Toronto newspapers. The heading is: "No Need for Fanciest Footwork Outside of Dallas Courtroom—One Cent Shares, Other Tax Dodges Averted by Gordon Budget Shift". It is incredible, to me, that some of these things should not have been present in the mind of the minister and his advisers. After all, the minister himself comes from a milieu where corporate financing is an everyday affair, and his so-called advisers last year were supposed to be real experts in this field. They were the whiz kids. Yet these very obvious subterfuges have come to light left, right and centre, the net result of them being that the measures introduced last year did not change Canadian ownership one iota. The corporations concerned were qualified for certain privileges. They were qualifying for withholding tax benefits and they were qualifying for other incentives when, in fact, there had not been one iota of change in the so-called Canadian ownership content.

I come back to this point: I still do not think the minister's provision of last year meant one single thing when it comes to true Canadian control. Canadian residence is the easiest thing on earth to acquire. Being a resident of Canada does not mean one is a Canadian. It was easy to defeat the hon. gentleman's stipulations and it will continue to be easy to defeat them. I will say that the provisions contained in that act respecting the degree of Canadian control, coupled with the withholding tax, have done nothing except show a certain degree of ultranationalism which has created only ill will. It was a most inept way of proceeding.

Now I should like to turn briefly to the principle of paragraph 6 of the resolution, dealing with research. One of my colleagues intends to deal, later, with research in Canada and research elsewhere, and with the rationale behind the amendment to the Income Tax Act brought down by the previous administration in order to encourage research in Canada. This was the essence of the representations which have been made year after year by industry, by the universities, and by various other organizations. It was that we should encourage the carrying out of research in Canada and thereby retain many more highly skilled people in this country. Here we are dealing with research outside Canada. I know we have always had provision of some kind for allowances in respect of research undertaken outside this country, provided it could not be done here in Canada. I agree with that. But this goes beyond such a provision. What interests me most is this: Why was the year 1962 chosen? Why go back? Is there a particular class of

taxpayers who are affected? This is retroactive legislation recalling those expenses which were to be given to certain oil concerns last year in the budget. The minister saw the light of day and made them effective from the date of his budget but, again, I should like to have an explanation why the year 1962 has been chosen. If there is a particular group of taxpayers who are affected by this measure, we should know, because a provision of this kind appears to me to be a singular one.

A number of clauses in this bill deal with student expenditures and we shall have something to say about them when we reach those clauses in committee. I come now to my final point. There are certain consequential amendments which are of such a technical nature that I think we had better reserve our comment until we get into the bill itself and are able to deal with them one by one.

I hope the minister has noted the points made at this time both by myself and my colleagues, because we should like very full explanations of a lot of the matters dealt with in the bill. We have followed in the course of reasonable debate amendments to the Estate Tax Act, to the Customs Tariff, and now this particular Income Tax Act. As I said at the opening of my remarks, I think the debate this year is going to be somewhat shorter than last year, and I think the minister will be quite relieved that we will not be quite as tempestuous because, quite frankly, the budget contains nothing much compared with last year. It contains nothing of a radical nature with the exception, as I have said, of the way the government proposes to handle family allowances. Now that matter is being pulled back away from us, so we will have to defer our discussion on it until a later date.

As I said, he is correcting some of the errors of last year, and I think this shows that the minister is a much wiser man this year. However, whether the country has benefited at all from his excursions into income tax provisions, planning and administration is very much open to question.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it was not my intention to take part in the debate on second reading of this bill, but there is one point which I would like to draw to the minister's attention and I am afraid that if I do not do it now I might be out of order at a later stage.

The point to which I wish to refer concerns an omission from the bill. The minister will recall that last session I drew to his attention the need for a new look at the provision in the Income Tax Act regarding the deductibility of trade union dues for income tax purposes. I pointed out to the minister that although this provision is there—indeed, it has been there for a number of years, having been inserted when Mr. Abbott was minister of finance—in the view of many of us it does not go quite far enough. There are many aspects of trade union dues which are prohibited from being included by the provisions of the section in the act covering this point.

When I drew this question to the attention of the minister during the last session he said that he was putting it on the list of the matters he was studying with a view to dealing with them at a later date, and I had hoped that this time the budget would include this provision. After all, there is so little in the budget as it is; here is the chance for the minister to put something in which would at least be noted. Since he proposes to introduce some amendments to the clauses of the bill as we go along, I hope that even yet he might consider bringing in at this session an amendment to make it possible to deduct the full amount of legitimate trade union dues for income tax purposes. As the minister knows, that same heading includes dues to professional and other associations, and I think that same consideration applies to this whole range of dues. I hope that the matter will yet be considered favourably by the minister at this session.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to raise a point of clarification with the minister. Does a student attending a trade school get this allowance? Another point I should like to raise is this. Supposing we have a disabled child of 16 years of age who has been tutored in the home; does this child get the family allowance?

Mr. Gordon: Mr. Speaker, on a point of order—

Mr. Deputy Speaker: Is the minister rising to a point of order?

Mr. Gordon: I was only going to suggest, Mr. Speaker, that when we go into committee it would be easier to deal with these specific questions as we deal with each clause.

Mr. Deputy Speaker: This is the very point which the Chair wanted to bring to the attention of the hon. member, that if the minister answers these questions he would automatically be closing the debate. Therefore it might be preferable to have these matters brought up and discussed when we reach the committee stage.

Mr. Lambert: With this exception, Mr. Speaker. If a certain matter is not in the bill then it cannot be discussed on the committee stage. This is the only time—either on the

resolution stage or now on second reading—to draw attention to the fact that certain matters are not in the bill. Therefore I respectfully suggest that if hon. members wish to make points in that regard they should make them at this stage and not defer them. Otherwise they will have to hold their peace.

Mr. Deputy Speaker: What the hon. member says is obvious. I was just referring to the particular remarks made by the hon. member who was asking specific questions of the minister, questions which should be asked at the committee stage.

Mr. Rynard: I respect your ruling, Mr. Speaker, but I do not think that this matter is included in the bill, because I referred it before to the parliamentary secretary and I do not believe he answered it at the time.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I should like to mention another matter which is not covered by the bill. I believe I brought this question up when the national revenue estimates were before the house last time. This has to do with the question of income tax deductions for contributions made to political parties, and I just throw out this idea to the minister, who perhaps might consider it at some time.

There is a private member's resolution on the order paper in the name of one of the hon. members for Halifax which is due to be discussed next Wednesday concerning this very subject. Some reform in connection with the payment for elections is a matter which has been talked about before; indeed, I believe it was part of the Liberal party's platform. I would suggest that at least modest amounts should be exempt for income tax purposes. It seems to me that this would be a very easy step to take and that some measure of reform should be instituted in this rather vexed question of campaign expenses. I make that suggestion now for the minister's consideration and I hope that he and his colleagues in the cabinet will discuss this matter before very long.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I have a suggestion to make to the minister before he rises to speak, regarding the deduction of the cost of the equipment used by the workers, especially the loggers.

I would have liked to see in those amendments something which would have made it possible for bush workers to deduct from their net income the cost of the equipment which they use.

In my opinion, this is a gross injustice toward the small wage earner. While all the big companies are allowed to deduct the cost of their equipment, there is absolutely nothing in the legislation to do justice to the small wage earners, allowing them to deduct the cost of their own equipment.

About ten years ago, in the forest industry of our area people were not as hurried as we are now and equipment was less costly. But now, things have reached a point where a bush worker has to spend substantial sums of money—between $500 and $600—to be suitably equipped, and that before starting to work in order to earn about $1,000. He is required under the Forestry Act to buy a power saw, special clothing and so on. So that a bush worker has to contract a debt of $400, $500 or even $600 before he starts to work.

That is why I am asking the minister to put in an amending clause that would enable the bush worker to deduct the cost of that equipment.

Some might say: Well, that equipment enables bush workers to earn more.

If the cost of production or the price of a cord of wood had increased because of this equipment, we would not insist so much. But the price of a cord of wood is still the same as it was 10 years ago, yet the heavy burden of this modern equipment is being imposed on our bush workers. I think this is a glaring injustice. I again ask the minister to provide an amendment along those lines.

The situation has become urgent. Even last winter, when salaries were supposedly decent, there were lumbermen who left the forest to collect meagre unemployment insurance benefits, because that was more than they were getting cutting wood in the forest.

I hope that the minister will take note of that situation.

I should like to raise another point with regard to equipment, that is the farmer's equipment.

I fail to understand why an amendment could not be introduced to assist the farm people in this regard. That is a very efficient method of assisting the farmer, by allowing him to deduct from his income the cost of the new and modern machinery he needs.

I think that such an amendment would be extremely important also as far as farming is concerned. I ask the minister to consider the matter and to introduce some measure which would bring a few extra benefits to our farmers, the same as we do very generously in the case of the big companies.

I hope, Mr. Speaker, that the minister will take these points into serious consideration.

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I was anxiously waiting for the day when I could express my ideas against this Income Tax Act. As a piece of legislation, it is the worst mess one could find. One cannot

make head or tail of it. It seems to me that the laws of a country should be written in short, simple terms, in order to be understood and obeyed. But today our legislation is so muddled and complicated that only a lawyer can understand it. In my opinion, the Income Tax Act is one of the most discriminatory and ambiguous acts we have in this country. And yet if the people complain and shout "enough", the government is taken aback.

To avert such misunderstandings, I would suggest that the government revise this act as soon as possible and make it clearer by using very plain but precise terms, without forgetting to grant, for charitable donations, a uniform exemption throughout Canada; whether it be of 10 or 8 per cent does not matter, but let it apply to all Canadians without anybody having to show receipts for his contributions.

Those in charge of charitable organizations should be left alone once and for all, and the pestering of parish priests should be stopped by means of a new and better legislation. No member of this house would tolerate the inconvenience imposed upon our parish priests who are very busy and already overworked, and who are asked to do this free of charge, of course.

The best solution would still be to grant a $3,000 exemption to single people and a $5,000 exemption to married people. This would eliminate a lot of red tape and save on stationery. I think that in the end, the government would not lose so much and taxpapers, as well as the clergy, would be very grateful. Why require receipts if officials are to decide the amount to be accepted, on orders from the deputy minister of national revenue or from any other authority?

On the basis of all the complaints I have received from my riding, that of Quebec West, I have come to the conclusion that the taxation division of the Department of National Revenue has accepted the $100 deduction as a standard, regardless of the income. I am speaking of the people who are in that category, those whose total charitable donations were not allowed. It seems to me that the department has been more strict in the case of single people, as if the latter did not have to think about their future or give to charity.

I should like to give you just a few examples to illustrate the complaints I have received from my riding. There is the case of a bachelor, Mr. Dollard Wiseman, 310 Marie de l'Incarnation st., Quebec city 8, who on April 11, wrote me as follows:

Two days ago, I received by mail from Ottawa, a notice of assessment informing me that, after examination, my claim for charitable donations had been reduced to $200. In my federal income tax return for 1963, I claimed a $424 deduction from a salary of $4,240.

[Mr. Plourde.]

Hon. members, charity is a personal matter. However, what I do not understand is that a Canadian government bureaucrat, who happens to be your employee, since you are a member of the House of Commons—and since you are unquestionably the boss, being a servant of the people—takes the liberty of managing his business without your consent.

It is true that I am single, but, good heavens, I do not have to pay the piper. We are allowed to deduct 10 per cent for charitable donations, and I find that the law is not adhered to in my case.

Mr. Speaker, the taxpayers can see that the government does not even abide by its own legislation; then, why would you have them observe such legislation? Why they, and not the government?

I hope that you will do your best in order that I may be granted my 10 per cent. I am sending you the notice and the said cheque.

After consideration, your claim for charitable donations has been reduced to $200.

The following is extracted from another letter which he wrote me.

Charitable donations can be made to religious institutions as well as to parochial or other organizations. I would like you to tell me why I am deprived of my right, that is 10 per cent for charitable donations. My question can be summed up as follows: Is every Canadian denied his 10 per cent and is the amount claimed reduced to $200, as in my case? If so, I have proof to the contrary. This confounded red tape in Ottawa about single persons in Quebec must stop.

Mr. Deputy Speaker: Order. For the last few minutes, I listened with much interest to the speech of the hon. member for Quebec West.

I know he has a point to bring before the house and we all listened to him with much interest, but I think his observations are not directly relevant to the matter the house is now asked to pass.

He must relate his comments to one specific point, that is to the bill now under discussion. Besides, that is the usual practice in the house. It is not only a matter of making comments generally related to the field of taxation or national revenue. Comments must be specifically related to the bill we are discussing.

It is a bill amending another act, and the speech of the hon. member must relate to the bill amending the act, and not to the act which is amended.

Consequently, I request the hon. member to relate as much as he can his remarks to the bill now under study.

Mr. Plourde: I understand that I am infringing the rules of the house with my claim concerning the income tax. I have taken this opportunity to put forward the rights of my voters because I wonder when the opportunity will be given to me to raise a grievance against the Department of National Revenue

or to make new suggestions which would enable it to take action along those lines.

However, I will not say more about it today. I shall resume my remarks some other time, but I could not let Bill No. C-91 now under study pass without exposing the way in which our people are treated by the income tax office.

Consequently, I move, seconded by Mr. Gauthier:

That Bill No. C-91 be not now read a second time but that it be decided that in the opinion of this house, an investigation should be ordered regarding the doing of the inspectors of the Quebec city office of the Department of National Revenue.

[*Text*]

Mr. Gordon: Mr. Speaker, I would suggest that this amendment is out of order.

Mr. Deputy Speaker: If no additional comments are forthcoming with regard to whether or not the proposed amendment is in order the Chair is prepared to make a ruling. I feel that the proposed amendment is out of order because it is not relevant to the matter now before the house. I would simply refer hon. members to May, sixteenth edition, page 554, where it says that an amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill. This amendment deals with matters relevant, I suggest, to the administration of the Deparment of National Revenue and not relevant to the bill now before us. With regret I must therefore say that the amendment is out of order.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to speak only briefly on the bill. It is not my intention to delay the minister in presenting his arguments. However, since holding his present portfolio I believe the minister has been toying with the possibility of discouraging foreign investment in Canada. Instead of discriminating against foreign investment I believe he should reconsider his views and do what he can to encourage capital investment from any country. Certainly we in Nova Scotia have seen considerable expansion in industrial growth due to capital which has been brought into our province from the United Kingdom, and especially by Swedish interests. I should like to leave the thought with the minister that he should not worry too much about where capital comes from because once it is invested in Canada these companies generally become good corporate citizens.

I believe further that we need to encourage Canadian investment in common stocks. According to recent reports Canadians today have something like $800 million or more in their savings accounts. This is a larger amount in reserve than ever before in the history of the nation. If we are to encourage the release of this capital we must make investment in Canadian common stocks more attractive to Canadians.

At the present time investors are allowed to deduct 20 per cent of the amount of their dividends from common stocks when paying their income tax. This encourages Canadians, of course, to participate in buying the common stocks of Canadian companies. But if we are to release the great fund of money at present resting in savings accounts I suggest that the minister should give some thought to increasing the percentage of dividends on common stocks, which is deductible for income tax purposes. I believe it could well be increased from the present 20 per cent to 30 per cent or even 33⅓ per cent. If this action were taken it would provide a greater incentive for Canadians to participate in the economic growth of this country.

Mr. Barry Mather (New Westminster): Mr. Speaker, in a very few words I should like to add a British Columbia voice in support of a proposal put forward a few minutes ago by a speaker from a Quebec constituency. He and I would both like to have the minister give serious consideration to an amendment to the income tax regulations which would permit the deduction from income of the moneys which have to be spent by producers such as loggers, fishermen and farmers on special equipment, tools and clothing in order to carry out their functions. I believe that such deductions are already allowed in the United States. I can see no reason why we should have one set of rules enabling the operators to make such deductions for income tax purposes, and yet the actual workers involved in the same industries do not have this benefit. I strongly urge that real consideration be given to such an exemption. There are many thousands of workers in British Columbia who would benefit from it and who now lose because of the lack of it.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, there are a few comments I should like to make in this debate. First of all, I would be prepared to commend the minister, at least in some respects, upon his aims and objectives. No doubt every government that has ever undertaken to govern this country has tried to do its best for the citizens and so far as possible, to provide equity as between citizens. I take it that this budgetary effort is no different from others in this regard.

Now, of course, the job of the opposition is to find weaknesses in these budgetary efforts. We find in this one some areas in

which we have no difficulty at all in finding some glaring weaknesses. One area of the budget which we can commend is the deduction of tuition fees for full-time students, as well as for part-time students. This I believe is a provision that will meet with general acceptance across this country and will be of considerable assistance to our university students, as well as to our high school and technical school students.

The favourable adjustments in the depreciation allowances to encourage the establishment, development and expansion of industry in areas where unemployment still persist is also a move in the right direction and should be commended. Anything that can be done to create more job opportunities in Canada certainly should be done, and I think will meet with ready acceptance by all citizens. The adjustment of the depreciation on heavy machinery at this time will be good news to many of our contractors and we must admit that contractors across Canada are having their difficulties at this time. This machinery is given a terrible beating and it wears out very rapidly. The increase in the rate of depreciation from 30 per cent to 50 per cent will, I am sure, be very welcome news to many of the people in the contracting business.

There is not much in the budget anywhere for agriculture. These amendments are no exception. I should like the minister to give serious consideration to one item which, as it is presently applied, is not fulfilling the purpose for which it was intended. I refer to the depreciation allowances provided for agriculture. One of the expenses on farms across Canada which is expressly prohibited from being disallowed, is the expense associated with clearing brush. In the newer areas of the country, the clearing of brush is done for the purpose of plowing up that land. The Income Tax Act treats this as a capital expenditure and, in some respects, I would agree it may be capital expenditure. In so far as the older parts of Ontario are concerned, however, where the land was cleared 100 years ago and has grown up a number of times with succeeding crops of thorn bushes, the clearing of those thorn bushes is not a capital expenditure. It is, in effect, the clearance of a weed crop although it is only undertaken every year or two, whereas weeds may need to be dealt with every week.

The eradication of thorn bushes in southwestern Ontario is a current expense of the agricultural industry in that area. It may only be done once a year or twice a year, or one might not cut these bushes for five or ten years, but it is a continuing current expense on these farms in southwestern Ontario.

I feel that where expenditures are made for that purpose, certainly the intention of the act is that a deduction should be permitted for income tax purposes.

We come now to the provisions that are being made for educational assistance to our 16 and 17 year old students. We have been warned by the minister that this problem may be dealt with in a different way. We have been warned that certain amendments will be made to the act. I consider this very welcome news. This is a thorny problem and it was debated at length during the resolution stage of this legislation. Since we do not know what will be contained in the amendment, since we cannot possibly know, I see no alternative but to make our wishes known at this time during second reading of the Income Tax Act bill.

The discussion of this problem the other evening was extended and most interesting. It seems that the government is undertaking to mix two things. This point was brought out during the discussion the other evening. It is the intention to provide educational assistance for boys and girls during their 16th and 17th years. Normally, during those years they are in high school and the expenses for keeping them in high school are great. This legislation fits in very well with other efforts, the scholarships, student loans and other financial measures that are being taken to assist our students.

But when we try to deal with this project as educational allowances, immediately we run into constitutional difficulties. The minister has admitted this, and it is generally admitted. We are faced, therefore, with alternative policies. We can continue or attempt to continue with this project to provide educational grants. We can keep trying to get around all of the constitutional difficulties involved, or we can take the simpler way, which is to extend family allowances from the present level of 16 years of age to the level of 18 years of age.

As was so well pointed out by the hon. member for Peace River (Mr. Baldwin) the other evening, the Family Allowances Act already provides that allowances may only be paid to children who are in regular attendance at school. The act reads as follows:

> The allowance shall cease to be payable if the child does not regularly attend school as required by the laws of the province where he resides, or does not receive training that, in the opinion of the competent educational authority designated by such province—

—and so on. It goes on to deal with Indians and Eskimos, and other special cases, but it is not the intention of the legislation to pay family allowances to children who should be in school and who are not in school, and it

is the intention of the proposed project for providing assistance to children aged 16 and 17 years that they should not receive any assistance unless they are going to school.

It therefore follows that only school children can be paid family allowances under the Family Allowances Act, and if we expand the act to take in boys and girls in their 16th and 17th years it would accomplish the very same thing in a general way, that the proposed educational grants would accomplish. I will try to make this point clear. If we extend family allowances to the 18th birthday this will cover children who possibly will always be dependant, crippled children who would not attend school, and retarded children. However, the same regulations which now apply to boys and girls aged 14 and 15 years, namely that they must be in school, would apply to boys and girls 16 and 17 years of age.

We would get almost exactly the same effect by an extension of family allowances as we would get through educational allowances, and I believe the cost will not be significantly greater. It would be approximately the same, and we would get away from all of the constitutional and other difficulties, and from the confusion into which the educational grants proposal is leading. I think this has been admitted by all concerned, and I would make a plea to the minister and the government to stay away from the educational grant concept and make a straight, simple extension of family allowances to the 18th birthday. We will then have the parents all across Canada, the children all across Canada and the taxpayers all across Canada treated in exactly the same way. I am sure this would be much more satisfactory to all concerned and would be well received by all concerned.

So far as the program which is now being carried on in Quebec is concerned, a similar program might be carried on in any other province which wishes to undertake it, but I want to say that an allowance of $20 for high school students aged 16 and 17 years is not too much, and other provinces may wish to supplement the family allowances if they are increased to the extent proposed, of $10 per month for children aged 16 and 17 years. The proposed allowance is not too much, even if it were doubled by some of the provinces.

The family allowance method is a much simpler way of dealing with this problem, and I hope the minister and the government will stay away from these proposed educational grants and give a straight extension of family allowances to the 18th birthday.

[*Translation*]

Mr. Jean-Louis Frenette (Portneuf): Mr. Speaker, I will not take more than a few minutes to call to the minister's attention a problem which is very close to my heart. It concerns the little people who, because they get a few hundred dollars interest a year on capital they saved the hard way, are penalized by having to pay income tax on that amount.

We admit that, since the minister assumed his post, we have noticed his very definite intention to give Canadians the possibility to regain control of the country's economy or at least to take an active part therein. In that light, I would be inclined to believe that it would benefit Canadians to exempt from income tax the interest paid on the savings of small people up to—I take the liberty of giving a figure—$250 or $300, for instance.

There is, of course exemption of 20 per cent on Canadian corporations dividends but, in my opinion, it is not enough to stimulate savings as we should stimulate them.

Economists are always preaching thrift, putting it as a desirable virtue. I think they are right; looking back upon the past, I notice that countries like France may have avoided, at times, economic disasters precisely because of the small savers, especially the French farmers.

In my opinion, this is a most appropriate opportunity to ask the minister whether it would not be advisable to consider granting the small savers certain tax exemptions on the interest they receive.

We talk about investments. I can well understand that it is difficult, if not impossible, for Canadians to make investments if they are not encouraged to save their money.

I honestly believe that, there, the Minister of Finance (Mr. Gordon) would really have something to encourage workers and farmers to save, those people, as I said, to whom savings would come in handy.

I do not wish to stand up for capitalists who are paid such a tremendous amount of interest on their equally tremendous investments. I want to speak for people who have but a little sum of money put aside and who, in my opinion, deserve to be encouraged.

Before returning to my seat, I also wish to say that I am in complete agreement with the requests made by the hon. member for Roberval (Mr. Gauthier) in respect of the exemptions which should be granted to certain workers such as farmers and bush-workers, especially as regards the purchase of special tools and equipment.

I feel that those citizens are now suffering an injustice. It may well be that the problem now facing them has never been considered. That is why I think the time has come to

deal with this particularly delicate and interesting problem which workers and farmers are up against.

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, I cannot but echo the opinions of my fellow citizens in the county of Charlevoix, and I would say, throughout Canada who are dissatisfied with the present Income Tax Act.

As the Minister of Finance announced his intention to introduce a few amendments to this legislation, I might submit a few myself.

To my mind, the present act has become obsolete, in respect of deductions, for instance. Admissible deductions for single and married people, which are $1,000 for a single person and $2,000 for married people, are no longer justified at such a low rate. The reason I raise this point is that the exemption was set about 20 years ago; at that time, it had been estimated that the amount of $2,000 was the absolute minimum to support a family and that it should not be taxed.

But since, the cost of living is probably three times, if it is not four times, as high, yet we still have the mere exemption of $2,000 for a family and $1,000 for a single person.

That is blatant injustice, nonsense which should be rectified as soon as possible. Such a move would certainly be well received by the Canadian people, and this government would certainly gain a great number of followers.

I also would like to mention another point, already raised by other hon. members who preceded me. As a former workman, who had the opportunity of seeing what happens in plants and factories, I was able to establish that there was some discrimination with regard to tax deductions for tools.

A doctor, or any other professional man who buys the tools needed in his profession is allowed quite important deductions. Yet, a workman who has to get a tool chest in any plant, which often costs him $200, $300, $400, $500 and even $1,000—and I must say that today, you do not get a very good tool chest for $1,000—is not allowed any tax deduction for that equipment.

This proves that the act, which might have been good 20 years ago, is now quite incomplete in this field, which results in serious discriminations. And I would like the Minister of Finance to think of those discriminations when he introduces his amendments.

I would like to point out another very serious injustice arising from the present Income Tax Act. I am speaking of succession duties. These are most unfair, because they only affect small businesses. Big businesses do not pay succession duties, for they do not die, they are passed along from shareholders to shareholders. On the other hand, small family industries are handed down from father to son and suffer immensely from the estate tax, so much so that sons are often obliged to sell the family business in order to pay the tax.

That is particularly unfair. Especially when people had the courage and the ability to build an estate to hand down to their children when they pass away, they do not deserve to be treated that way or, at least, they should be spared just as are the big businesses.

I only wanted to make those few remarks because as far as the bill itself is concerned, as I have just stated, I have nothing much to say, for it does reduce taxes. As long and as often as the government will propose tax reductions, it may be assured of my support.

[*Text*]

Mr. Mac T. McCutcheon (Lambton-Kent): I have no intention of taking up much time or of delaying the progress of this measure but I should like to repeat, as the hon. member for Middlesex West (Mr. Thomas) has pointed out, that there is opportunity in this legislation for discrimination. I direct the minister's attention to clause 3, which has to do with the end of the taxation year and the period within which payment may be made into a registered pension fund or plan. An employer is now to be permitted to make payments into these funds 120 days rather than 60 days after the end of the taxation year, whereas the ordinary individual is limited to 60 days. It seems to me that under this provision there is a chance of discrimination taking place, and I direct the hon. gentleman's attention to it although I am abundantly certain that this was not his intention.

Mr. Monteith: May I call it five o'clock?

The Acting Speaker (Mr. Batten): Does the house agree to call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions for papers, private bills and public bills.

MOTIONS FOR PAPERS

MAPS SHOWING ELECTORAL BOUNDARIES

The house resumed from Thursday, May 7, consideration of the motion of Mr. Martineau:

That an order of the house do issue for a copy of all maps drawn up or deposited with the chief electoral officer or the representation commissioner pertaining to the proposed redistribution of electoral boundaries in Canada.

Mr. Eldon M. Woolliams (Bow River): Speaking in support of this motion, and as one who seconded the motion, I may say frankly, at the outset, that I should like to be a little better prepared than I am this afternoon. We have in the last few days been busy in the committee on privileges and elections.

Nevertheless, I should like to say a few words in relation to these documents—some call them maps; others call them mathematical exercises—and in so doing I wish to refer to the provisions of the Representation Commissioner Act which was passed in 1963 and assented to around December 21, 1963 just before the Christmas recess. I doubt that even when another related bill, the bill dealing with redistribution, was before the house—and it passed second reading—many hon. members realized just what that bill said, for that matter, what the Representation Commissioner Act said. Section 8 of that act is right to the point:

> As soon as possible after the completion of any decennial census, or in the case of the census taken in the year 1961 as soon as possible after the coming into force of this act, the commissioner shall prepare maps showing the distribution of population in each province and setting out alternative proposals respecting the boundaries of electoral districts in each province, and shall thereupon supply such maps to the appropriate electoral boundaries commission.

Thus, the act provides that the representation commissioner shall provide maps referring to electoral districts and, in particular, maps related to the year 1961. There have been a great many words spoken about these maps. In fact, the hon. member for Winnipeg North Centre (Mr. Knowles) had this to say—and I know we are not supposed to quote from *Hansard* during debate if an hon. member objects. However, if he will waive the rule I will read the exact words which were used by him on April 30, as reported at page 2780:

> I am told there are no maps so far.

This was said in answer to a question put by the hon. member for Rosthern (Mr. Nasserden).

> Therefore one cannot say he has seen the maps. However, in response to the suggestion that was made I have seen some of the sketches that are referred to as transparencies, consisting of lines drawn on transparencies that are put over old maps.

The hon. member for Winnipeg North Centre is a very meticulous man in the use of his language. He has set out that he has absolute confidence in the representation commissioner, as I think we all have, as far his duties are concerned, provided those duties are free from any political bias or prejudice, or from any influence exercised by any minister by whom he takes his directions. So that when hon. members come before the house and say to you, Mr. Speaker, and through you to the house, that there are no maps, then I do not know what kind of argument they are prepared to present. The hon. member says in one breath that he has seen something. To me he is just mincing words. I know that on many occasions the hon. member for Winnipeg North Centre gets very pious, particularly on this subject. He is one who has said down through the years that he wants to take redistribution out of politics. I think there is one thing about which this party can be proud, and that is that we have stood for that for a long time. The reason—and I might as well make this point now—is—

The Acting Speaker (Mr. Batten): Order. I must point out to the hon. member for Bow River (Mr. Woolliams) the very narrow limits of the debate at the present time. The question we have to decide is whether or not the maps in question should be tabled.

Mr. Woolliams: I appreciate the rules and the narrowness of debate, Mr. Speaker, but I read the debate thoroughly at noon, and with the greatest respect the hon. member for Winnipeg North Centre, as reported at page 2778 of *Hansard,* took up two pages, if that can be translated into time, dealing with taking redistribution out of politics. I am just answering his argument. He having opened up the subject I am sure, in all fairness to the Chair, that you would not want me to narrow the debate beyond the limits of the debate at the present time.

Throughout the years the Conservative party has stood for independent redistribution and for taking the matter out of politics. The reason of course is that either in 1953 or just before, the province of Saskatchewan lost one, if not two constituencies, including that of the Leader of the Opposition (Mr. Diefenbaker), who was the only Conservative member of the house at that time outside of Calgary in western Canada. So we have had some experience of this kind of gerrymandering, and when we have to rely on the minister who is piloting the particular act in question, and who is behind the drafting of these maps, we are naturally a little suspicious as to what might occur in the future, and have to look into the matter very carefully.

Coming back to the point about the maps, I say that there are maps and that every hon. member in the house who has seen these sketches, or whatever my hon. friend from Winnipeg North Centre wants to call them, he himself, as I say, having seen them, will

say that they are maps; make no mistake about that. If they are not maps, then the taxpayers of Canada are paying the representation commissioner money for something he should not be doing, because clause 8 of the bill requires that maps be drawn.

The next question is this. If these maps are going to be withdrawn, what is the secret behind it? Why did the minister in the last debate and during the debate on the redistribution bill, when asked whether there were maps, become white hot? Why does he lose his temper on so many occasions? He loses his temper because he has something to hide, and that is why he is opposing this motion at the present time.

Mr. McIlraith: May I ask the hon. member a question?

Mr. Woolliams: Yes, I would be pleased to answer it.

Mr. McIlraith: In the hon. member's last reference to losing tempers, is he speaking for himself?

Mr. Woolliams: No, I am speaking for the Minister of Transport (Mr. Pickersgill), the man who was secretary of state but was demoted. He is the man I am speaking about. I am not speaking about the member for Bow River or about the minister who has just interrupted me.

Many of us have seen these maps. I should like to ask who hired the staff of the representation commission? Was there any influence exercised by the Minister of Transport, the former secretary of state, in that regard? Did he recommend these people as staff? Is this matter above politics? These are questions we would like answered. There are also other questions I should like to ask. I have been interested in the attitude of certain newspapers with regard to their suspicions about these maps, and I will read from an editorial in that regard in a minute or two. Why are these maps being hidden? Why are we suspicious? The answer is that about 65 to 75 per cent of the constituencies of this country are going to be affected, some more than others.

I have not had an expert go over these maps, and that is why I want them placed before the house so that experts can take a look at them. It would be a strange thing if we were to see that the constituencies of the frontbenchers of the Conservative party have either been wiped out or so altered that they cannot be recognized. One perfect example in this regard is the constituency of Perth, which is an old, historical riding. Would it not be strange if that constituency were wiped out?

What makes it so strange is the sales job which has been done by the former secretary of state who was demoted to Minister of Transport. He keeps telling the newspapers of this country: "Oh, don't worry; we believe in a tolerance". This tolerance, Mr. Speaker, is a lot of tommyrot. I say that, because it may be as low as 1 per cent, or as high as 20 per cent, or as low as 20 per cent, or be a decimal point of 1 per cent, or exist not at all. I am dealing with just one map, in spite of what my hon. friend from Winnipeg North Centre has said, and I suppose he will want to hear what I have to say.

The fact is that there are maps. I looked up the word in the dictionary, and it means a geographical area with boundaries. Maps show boundaries, places and populations. They show geographic descriptions of various parts of the country, including mountains, and I will have something to say about mountains later.

What about the constituency of Perth? The constituency of Perth is populated by about 70,000 people, so you would not expect it to have been changed at all. But when we ask about this the government say they have either applied the metropolitan method, whatever method that is, or the other method. The other method is the urban method or the corporation method.

Mr. Rapp: The corporate method.

Mr. Woolliams: Yes, the corporate method; I thank my hon. friend from Humboldt-Melfort-Tisdale. But whatever method it is we want it described. Why are the members of this house denied this information? I think the Liberal members of this house would also be most interested in that question, and I trust that they will raise it at their caucus. If they have not been permitted to see the maps their opinions might change. Many hon. members have seen them. Why should I have the privilege of seeing them, when you are denied that privilege?

An hon. Member: I don't want to see them.

Mr. Woolliams: If you don't want to see them, you may be very fortunate. I do not know the details of the riding you represent. The riding of Perth has the exact population; many of these ridings have the exact population. I have always taken this position. Certainly there are many places which have a population as low as 15,000 or 20,000. Highly populated constituencies exist in the city of Toronto and in the city of Montreal, while some of our farm communities and some of our rural communities in Ontario and Quebec are less highly populated. If you want to change the situation to bring the formula closer to representation by population, why change those constituencies which fit into the

formula? How strange it is that these constituencies happen to be represented by the front bench members of the Conservative party.

That is the reason I ask the ex-secretary of state, now the Minister of Transport, to produce these maps. I say to him, what has he to hide? I am sorry he is absent today—in fact, many of his colleagues seem to be absent—because I would have liked him to explain to the house at this time what he is hiding. How can we believe that this redistribution is above politics, prejudice and bias? I know the newspapers say that no one will question Mr. Castonguay. That may be very true. But in all fairness to that Canadian—and I have expressed my views about Mr. Castonguay, and there is no question that he is above reproach—the fact is that he has a job to do and under the act he is to be paid $25,000 a year. What influence may be brought to bear on him? What influence has the Minister of Transport, formerly the secretary of state, exercised in this regard? Who influenced the hiring of the staff in that respect? Who decided whether we would apply the metropolitan or the corporate method when bringing about a redistribution in this country? What consideration has been given to the historical value or the historical facts of these constituencies?

Mr. Speaker, let me go back to the constituency of Perth, the place where the plays of Shakespeare are to be relived on this continent. Even the United States, including Hollywood, is looking to that area in which to relive Shakespeare's plays. My colleague represents that constituency. If its borders are correct; if it has the proper population; if it fits into the formula, why wipe out that constituency? What influence has been exercised in this regard? Let us take into account the factors of geography. One may say these ten commissions which are to be set up will be above prejudice and bias and will solve the matter; but the fact is that there will be no hearings before those commissions until judgment is rendered.

I have the greatest respect for members of the judiciary. As a member of two bars in this country I have respect for judges of this country, but surely when the matter comes before them and somebody steeped in the atmosphere of redistribution, who understands the subject, lays on their desks maps drawn and prepared without proper scrutiny, or at least the scrutiny necessary to find out what influence might have been exercised, they are going to be mere rubber stamps. Therefore we say they may not even take into account the geographical features involved.

Let us consider my own riding. The newspapers say one must not mention his own riding. This is said by the Calgary *Albertan*. This newspaper says one must not mention his own riding because a member has a personal interest in the matter. Well, Mr. Speaker, I have a personal interest in the matter and I have a personal interest as far as all members of parliament are concerned who agree with my point of view, because I do not think this matter is above politics at the present time.

One map includes Jasper, stretched right out to the constituency of the hon. member for Jasper-Edson (Mr. Horner). The centre of Bow River is the city of Calgary. If an election was called in the winter, the only way you could get into Jasper from Calgary, Alberta, or any other part of Bow River, would be by helicopter; and we have not those fat electoral sums of money that other parties appear to have and boast about in this regard. Therefore the only way I could get into my own riding to electioneer or process the work I have to do would be to drive to Edmonton, and then through Edmonton come into Jasper through the back door. I say, Mr. Speaker, these maps should be subject to scrutiny and laid before parliament so we may look at them.

Supposing the commission set up in Alberta does not understand the geography of certain ridings? No one man in any province can understand all these things. They have hired a group of university students in the city of Ottawa. When I asked two or three of them if they had university degrees, they said they had no particular training. They just took a group of people living in a certain spot—they did not care whether you had to cross the Cascade mountains—and the idea was, "There are so many people living in this area. Go to it". If this is the kind of redistribution we are going to have, one may well ask whether it is above politics.

I have the greatest respect for some newspapers of this country. I am not saying that about all of them, and I am going to attack particularly some of the western newspapers which have not yet grasped what is involved in this question. I read an editorial which appeared on May 6, 1964 with reference to this particular subject. It said, "Mr. Woolliams protests too much". I intend to protest on this subject today and tomorrow and continually, Mr. Speaker, if necessary, because it affects not only my riding but, I repeat, probably 85 per cent of the ridings in this country. The main thing for which they spanked me in the editorial was this. They said that surely if the right hon. Prime Minister (Mr. Pearson) is to appoint one member to the commission to look at these maps, and

the Leader of the Opposition (Mr. Diefenbaker) is to appoint one member to the commission to look at these maps, the member from Bow River and other Conservative members will be protected. The Calgary *Albertan* does not even know we have been supporting that section of the bill and we are opposed to the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles), so how can they be unprejudiced and unbiased? They are very quick to come to the support of the former secretary of state, now the devoted Minister of Transport, but they wrote this editorial without knowing the facts. Everything I read here in reference to this matter shows they are not in possession of the facts.

Mr. Knowles: How about reading the editorial?

Mr. Woolliams: I do not want to take the time to read it. You can go into the reading room and read it for yourself. It is an editorial in the *Albertan* of May 6, 1964. It says that members of parliament will be looked after because the member for Bow River and the other Conservatives will have a member appointed to the commission by the Leader of the Opposition, and the Liberals will be looked after because the Prime Minister will appoint a member to the commission. We support that; but that is not the section of the bill about which we are concerned and which the government, having reversed their position, are now supporting.

Mr. Knowles: Read the last two sentences.

Mr. Woolliams: I have not time to read them. You can read them later, if you wish. I am very glad, Mr. Speaker, the hon. member for Winnipeg North Centre has raised this problem. Why has he put his finger in the pie? I know why he is so anxious to rush this thing through. It is because, if I may use the word, they have stolen the best part of the constituency of the hon. member for Winnipeg South Centre (Mr. Churchill) and put it in his constituency. It is that area that might perpetuate the hon. member for Winnipeg North Centre's right to sit in this House of Commons. That is just how comfortable he is.

Some hon. Members: Shame.

Mr. Woolliams: Let me point this out, Mr. Speaker. There were 85,000 people in the constituency of Winnipeg South Centre. That is greater than the 70,000 required; it is probably even greater than the tolerance figure. Why was this constituency so readjusted? They changed it from west-east to north-south.

[Mr. Woolliams.]

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but his time has expired.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, a few observations only on the motion for papers now before us, to say that I agree with the hon. member for Pontiac-Témiscamingue (Mr. Martineau) that we should be made aware of the true facts concerning the sketches or drafts being made in relation with the boundaries of electoral districts in every province.

It goes without saying that the purpose of having those maps tabled in the house is precisely to enable hon. members to have a better idea of what will be the new boundaries of the districts. I also agree with those who would like to know why this redistribution will entail changes in the boundaries of certain ridings. But, between that and the fact that the changes I had the opportunity to see in the offices located on O'Connor street have to be made, there is certainly something that is not conformable to the situation of certain districts.

Moreover, the idea of following only mathematical systems is completely ridiculous, and we should adhere to the existing circumstances in economic areas.

Mr. Speaker, I particularly studied one district that concerns me, my own district of Chapleau, which is the second largest in the province of Quebec. According to the sketches or the maps I have seen, it is the intention to cut out a large slice right in the middle of the riding so as to leave only the two ends to the riding of Chapleau.

Undoubtedly, Mr. Speaker, the one who prepared those plans might have had good intentions, but I think he does not know anything about the region for which he made a sketch, and he should have asked for advice or obtained information on the spot, in order to know what it was all about.

I should also like to refer to an observation made by the Minister of Transport (Mr. Pickersgill) two weeks ago, that is on April 30, when he indicated that those maps would not be used when the provincial commissioners would be called upon to make a final decision. Therefore, I wonder why that work has been done, if it is not to be used? Why were requests made to prepare plans or sketches if the commissioners who will set the boundaries of electoral ridings do not use them?

Mr. Speaker, I feel that if they do not know what to do with the chief electoral officer, they should merely pay him a holiday. That would not upset the applecart as it is said that the work he was requested to prepare will not be used.

Mr. Speaker, I am convinced that those maps will have a considerable influence on the decision of the commissioners, and that is why I support the motion of the hon. member for Pontiac-Témiscamingue to the effect that those maps should be placed at the disposal of the hon. members, so that each may see them and know not only where we stand but also what will be the result.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I want to congratulate the hon. member for Pontiac-Témiscamingue (Mr. Martineau) who requests the production of these maps, and I feel that the opposition, especially, is rightly concerned about this matter, because we do not want any kind of discrimination in respect to the redistribution of electoral ridings.

We have full confidence in Mr. Castonguay, who has shown his ability and who renders services to all members, at election time, when we or our organizers phone him to ask some information concerning the administration of the election act.

Mr. Speaker, I learned that during a Liberal caucus, several government members complained and raised a strong protest to the Minister of Transport (Mr. Pickersgill) in respect to redistribution; it is said that following those repeated pressures, the Minister of Transport gave up and permitted those maps to be circulated among members of the Liberal caucus, to enable those members to consult them and bring forward their suggestions. As a matter of fact, the Minister of Transport is believed to have said: state your suggestions, your recommendations, we shall take them into consideration, so that—

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

Mr. Speaker: Order. The Minister of Justice has a point of order.

Mr. Favreau: I shall ask the hon. member whether he allows me to put a question, and if not, I shall raise a point of order.

Can the hon. member for Joliette-L'Assomption-Montcalm tell the house at which caucus such indiscretion is supposed to have been committed and from whom he holds such information?

Mr. Pigeon: Mr. Speaker, I am happy to reply to the Minister of Justice that the caucus was held a month ago and it was a Wednesday caucus; I know it from a reliable source and I wish the minister would not oblige me to tell from whom; besides, I am not going—

Mr. Habel: Innuendo.

Mr. Pigeon: —to mention anybody.

In other words, it was reported that members on the government side were told: "Make your choice, make your recommendations." So that the opposition members would take what remained after the members on the government side had helped themselves.

That is one of the reasons why the Minister of Transport refuses to produce those maps before the House of Commons; simply, he is afraid public opinion in Canada may revolt against the attitude taken by the government, who would apparently discriminate against opposition members.

On this side of the house, we have reason to worry, because we know the kind of politics practised by the Minister of Transport. Moreover, this bill, which should normally be sponsored by the Secretary of State (Mr. Lamontagne) is being sponsored by the Minister of Transport.

We are aware of this kind of petty politics in which the latter so often indulges even in the house. This is why, it would be in the public interest if these maps were produced, in order to prove once for all to the Canadian people that we, on this side of the house, are justified in being concerned and asking questions in connection with the redistribution bill.

It is not without reason, as I said earlier, that the Minister of Transport refuses to produce these maps in the house; there is some kind of agreement between members on the government side. Moreover, Mr. Speaker, the hon. member for Drummond-Arthabaska (Mr. Pepin) and even the Secretary of State have admitted that the Liberal conventions are packed. But we, on this side of the house, do not want the redistribution to be made at the expense of the opposition.

Mr. Habel: Union Nationale.

Mr. Pigeon: We want it to be made with justice and fairness. That is why we ask that the maps be produced in the house, in order to prove to the Canadian people that we were justified in wrangling over this matter and in asking for the production of those maps.

Mr. Habel: Union Nationale.

Mr. Favreau: Mr. Speaker, on a point of order, I wish to caution the hon. member for Joliette-L'Assomption-Montcalm against his source of information.

The charge that he made a moment ago in the house is certainly one of the most serious which can be brought in this place, where the hon. members, who represent the people of our country, fulfil their duties and perform their functions daily. He accused the government of having introduced a piece of legislation while offering in caucus, that is secretly,

to his members to choose their ridings or their limits. This means that the government would have proposed to the members to use a measure passed in the public interest in order to cheat the Canadian people and to abuse their own privileges.

I say that this, connected later on with the name of the Minister of Transport, becomes a charge that the hon. member for Joliette-L'Assomption-Montcalm has no right to maintain, unless he tells the house that he assumes the responsibility for it.

Now I assert as a member of the Liberal caucus of Canada and as a minister of this government that such a proposal or such an offer has never been made to the Liberal members of Canada or to any Liberal group. I say that the hon. member for Joliette-L'Assomption-Montcalm must take my word for it and I tell him that the person who gave him that information—

[*Text*]

Mr. Woolliams: Will the minister permit a question?

Mr. Favreau: Yes.

Mr. Woolliams: Will the Minister of Justice deny that all members of his caucus have not seen these maps and are well aware of them?

Mr. Favreau: I do deny that. I just want to assert that those who informed the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) of this have uttered a falsehood, a lie, and that he must take my word for that and now withdraw.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege. My word is surely as good as the word of the Minister of Justice—

Mr. Habel: Never.

Mr. Pigeon: I will not give the names of the two Liberal members who made allusions to that matter.

Some hon. Members: Name them.

Mr. Pigeon: I will not name them, Mr. Speaker.

Mr. Deputy Speaker: Order.

Mr. Pigeon: I am not at all surprised at what happened at the government caucus, because I know very well the habits of the Minister of Transport since he has been sitting here.

Mr. Habel: Mr. Speaker—

Mr. Deputy Speaker: Order.

Mr. Choquette: Mr. Speaker—

[Mr. Favreau.]

Mr. Deputy Speaker: I cannot see the good it will do to keep up this debate any longer. I think that hon. members will accept as true the words of the hon. member, whether he is a minister or not, whether he sits on one side of the house or the other. I am sure that the hon. member for Joliette-L'Assomption-Montcalm will follow the judgment of the house.

[*Text*]

Pursuant to provisional standing order 47, subsection 2, I must advise hon. members that the time allotted for consideration of this motion has expired, except for two five-minute periods, one for a minister speaking on behalf of the government, and one allocated to the mover of the motion who will close the debate.

Hon. G. J. McIlraith (Acting Minister of National Revenue): This debate on the motion for the production of these papers has now gone on for two hours and thirty-three minutes and under the rules I am allocated a very limited amount of time to deal with the subject. Since a minister has spoken earlier in the debate, I will confine my remarks to some of the points raised today.

In so far as the remarks made by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) are concerned, I am sure all hon. members who heard them or who will read them tomorrow when they appear in *Hansard,* will dismiss them at once with the contempt they deserve. He did not deal with the subject matter before the house, but purported to put out, on his responsibility, the procedures in caucus—

Mr. Woolliams: I rise on a point of order. Surely, the distinguished minister is not implying that the word of the Minister of Justice (Mr. Favreau) must be accepted and the word of the hon. member for Joliette-L'Assomption-Montcalm cannot be accepted. Is he implying that one rule should be applied because one member graces the front benches and another rule should be applied because an hon. member does not grace the front benches?

Mr. McIlraith: There is no such implication in my remarks, if they are read. If the hon. member for Bow River (Mr. Woolliams) will pay me the courtesy of listening to my remarks, he will get the point in a moment.

The hon. member for Joliette-L'Assomption-Montcalm took his time purporting to disclose matters that took place in the Liberal caucus. He was, of course, completely inaccurate and irrelevant because he was

talking about something about which he knows nothing. This would be readily apparent to anyone.

The hon. member for Bow River did make a speech and, as usual, used excessive language in reflecting on an officer of parliament. I want to remind him that the officer to whom he referred is an officer of this parliament, and not an administrative officer under the direction of the government. This is a distinction he completely failed to realize. His 30-minute campaign to create the impression that that officer was subject to influence was indeed a reflection that he ought not to have made, unless he had the documentation to back it up.

Mr. Woolliams: I wonder if the minister would permit a question?

Mr. McIlraith: I have only five minutes, and I should like to reply.

Mr. Woolliams: Are you going to be like the rest of the members on your side, and like the hon. member for Winnipeg North Centre (Mr. Knowles) and deny that there are maps in existence?

Mr. McIlraith: I will say that I have been told. I have not seen them, and there obviously can be no maps until the bill that is before the house is passed. I should like to use the time allotted to me, since I have only five minutes.

The hon. member took the time of this house to reflect upon an officer of parliament in a way that simply will not be accepted by those people who know that officer, the representation commissioner.

Mr. Woolliams: I rise on a point of privilege.

Mr. McIlraith: You raise your point of privilege at the conclusion of my remarks.

Mr. Deputy Speaker: The hon. member for Bow River.

Mr. Woolliams: I was very careful on this and on another occasion to say that I have absolute confidence in the representation commissioner; that I was not reflecting on his personal integrity. The hon. member is putting words in my mouth or putting the wrong interpretation upon my words. I did not impute motives to the former secretary of state who was demoted to Minister of Transport (Mr. Pickersgill), and I stand by that remark.

Mr. McIlraith: It is contrary to the rules to impute motives to any hon. member of the house, but I will not raise that point of order now.

All I wanted to say was that there are obviously no maps, within the meaning attributed to that term by the hon. member for Bow River, in existence, and I hope that these sketches will not be produced. It is obvious that there cannot be maps prepared until this independent commission we hope to have set up, is set up.

Mr. Woolliams: How can you say that?

Mr. McIlraith: They cannot be set up until the independent commissions are created or appointed under the legislation before the house; that is the point of my argument.

Mr. Woolliams: Have you seen those sketches?

An hon. Member: Sit down.

Mr. McIlraith: I hope the hon. member will observe some of the courtesies of the house for a moment. Since there are no maps, how can he ask that they be produced? The documents that he does ask to be produced are documents that I have not seen myself, but I am told they are some kind of sketches.

Mr. Woolliams: It is a good thing it is hearsay, because your tongue would get thick—

Mr. Deputy Speaker: Order. I regret that I have to interrupt the minister but his time has expired. If the mover of the motion speaks now, he will close the debate.

Hon. Paul Martineau (Pontiac-Témiscamingue): I have only a few remarks to make at this time. First of all, it has been established by action which we took when we were on the government side, that we stand clearly for independence in redistribution. We were the ones who placed a resolution on the order paper calling for the establishment of an independent commission to deal with this very important matter. If today we ask for the production of these maps, it is because we want to make sure that redistribution is independent and, second, that the judgment that we exercise on this matter as legislators will be a well informed judgment. There is no other purpose for calling for the production of these maps.

Speaking to this motion two weeks ago the Minister of Transport (Mr. Pickersgill) adopted what I would call a most fantastic line of reasoning. First of all he said there existed no maps. These were his words in reference to them, as recorded at page 2775 of *Hansard* for April 30:

> —virtually, mathematical exercises which could not conceivably bear any relationship to the ultimate disposition—

Surely, Mr. Speaker, the representation commissioner who has been appointed by this house has other things to do than engage in activities that, if we are to believe the Minister of Transport, have absolutely no bearing

on the subject with which he is treating. I think that that does not stand up at all.

Those who have seen the so-called exercises—and I am one of those, although I had not seen the maps when I called for their production—

Some hon. Members: Oh, oh.

Mr. Martineau: Yes, I am not afraid to say it. I was called in to have a look at them, and I will treat with that particular subject in a few minutes. I have seen these so-called exercises and I am satisfied they can be described in no other word than maps. In any event, Mr. Speaker, the representation commissioner—

Mr. Lloyd: On a point of order; it has been made abundantly clear to the house that the documents which are being referred to are nothing more than the working papers of an officer of the house—

Mr. Deputy Speaker: Order please.

Mr. Lloyd: —and they cannot be described—

Mr. Deputy Speaker: Order please. The hon. member is making an argument. There is no point of order.

Mr. Martineau: Mr. Speaker, I will move to the second fantastic statement by the Minister of Transport. This is what he said in this house, and I would ask you to listen carefully to his words. In his speech he said:

> —an offer was made, through my mouth, by the representation commissioner, to all parties in the house that they—

—whoever "they" referred to—I believe it was hon. members—

> —could choose a few of their members to look at these maps and have them thoroughly explained—

Since when have we the right as members, all duly elected members, to make distinctions as between members and members? The absurd result that would directly flow from such an action would mean that when the redistribution bill is placed before the house some members of parliament would be in a better position, would be better informed than others, and therefore some of them would be able to make the right judgment and others would not.

As members of this house we are called upon to judge the issue, and the issue is to know whether or not the 20 per cent tolerance is the tolerance that should be accepted as a criterion for the determination of the new constituencies. I submit that in order to be able to make an informed judgment on that tolerance we should not be denied all the evidence and information that it is possible to obtain, and the best information that can be obtained is the production of these maps.

[Mr. Martineau.]

The house divided on the motion (Mr. Martineau) which was negatived on the following division:

YEAS

Messrs:

Aiken	Macquarrie
Alkenbrack	Martineau
Baldwin	Monteith
Beaulé	Moore
Bélanger	More
Bell	Muir (Lisgar)
Boutin	Nugent
Cardiff	Ormiston
Churchill	Ouellet
Clancy	Pascoe
Crouse	Paul
Danforth	Pigeon
Diefenbaker	Plourde
Dinsdale	Pugh
Dionne	Rapp
Doucett	Rhéaume
Fane	Ricard
Forbes	Rondeau
Gauthier	Rynard
Girouard	Slogan
Gundlock	Southam
Hales	Stefanson
Hamilton	Stenson
Jorgenson	Thomas
Lambert	Valade
Laprise	Vincent
Latulippe	Webb
MacEwan	Willoughby
MacInnis	Winkler
MacLean (Queens)	Woolliams—60.

NAYS

Messrs:

Addison	Greene
Badanai	Groos
Barnett	Guay
Batten	Habel
Béchard	Haidasz
Beer	Harley
Benson	Hays
Berger	Hellyer
Blouin	Herridge
Boulanger	Kelly
Brewin	Klein
Brown	Knowles
Byrne	Lachance
Cameron (High Park)	Lamontagne
Cameron (Nanaimo-Cowichan-The Islands)	Laniel
Cardin	Laverdière
Caron	Leblanc
Carter	Leduc
Choquette	Lessard (Lake St. John)
Chrétien	Lessard (St. Henry)
Cowan	Lloyd
Crossman	Macaluso
Cyr	MacEachen
Davis	MacNaught
Deachman	McIlraith
Deschatelets	McLean (Charlotte)
Douglas	McMillan
Drury	McWilliam
Dubé	Marcoux
Émard	Mather
Eudes	Matheson
Favreau	Moreau
Forgie	Morison
Francis	Mullally
Frenette	Munro
Gelber	Nixon
Godin	Olson
Gordon	Patterson
Gray	Peters
	Pilon

Prittie	Teillet
Prud'homme	Temple
Regan	Thompson
Richard	Tucker
Rinfret	Turner
Robichaud	Wahn
Rochon	Walker
Rock	Watson (Châteauguay-Huntingdon-Laprairie)
Roxburgh	Whelan
Scott	Winch—101.
Stewart	
Tardif	

Mr. Deputy Speaker: I declare the motion lost.

Mr. Cashin: Mr. Speaker, I was paired. Had I not been paired, I would have voted against the motion.

Mr. Pennell: I was paired, Mr. Speaker. Had I voted, I would have voted against the motion.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows:

The hon. member for Port Arthur, Quebec-federal participation in provincial study of independence; the hon. member for Joliette-L'Assomption-Montcalm, fraudulent bankruptcies in housing construction;

[*Translation*]

the hon. member for Chapleau: reduction of tax load.

[*Text*]

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

INCOME TAX ACT

The house resumed consideration of the motion of Mr. Gordon for the second reading of Bill No. C-91, to amend the Income Tax Act.

Hon. J. W. Monteith (Perth): Mr. Speaker, I do wish there were more members present on the government benches to hear the solid words of wisdom I am about to utter. However, I suppose their absence is understandable. Unfortunately the attitude of the government has been one of not paying too much attention to the opposition. I do not have too many remarks to make concerning Bill No. C-91. The hon. member for Edmonton West (Mr. Lambert) dealt with the principle of the bill this afternoon very adequately and at some length. I propose to be reasonably brief but I believe there are some things that should be said at this stage.

When we get to the committee stage it will be necessary to examine many of the clauses of the bill in great detail and I say this for many reasons. To use the words of one speaker this afternoon he said, if I am correct, that it took a man of law to understand the Income Tax Act, and I assume he also meant the amendments now before us. He said that it was discriminatory and confused. I agree completely and wholeheartedly with that statement. Mind you, Mr. Speaker, the same hon. member said some things this afternoon with which I did not agree, but with that particular portion of his speech I must agree because it is so completely and absolutely true.

I have spent several hours studying the amendments, and their application to the act as it existed after the amendments of 1963. I am afraid I spent most of the time checking cross-references and so forth. To me the Income Tax Act has become almost completely impossible to understand for anybody but—

Mr. Carter: A chartered accountant.

Mr. Monteith: No, not even a chartered accountant. I doubt whether the minister knows too much about the act and its application. This is my point. I had been going to ask the minister earlier if he had received many representations from individuals, corporations, associations, organizations and what have you, concerning the terms of Bill C-91. I had intended to do so prior to second reading, but in his opening statement on second reading he said there had been and that there had been some consequential amendments. I wonder whether enough of the suggestions that may have been made in the interval since the bill received first reading have been listened to.

At the suggestion of the Leader of the Opposition (Mr. Diefenbaker) the minister outlined this afternoon the amendments he proposes to make as we progress through the committee stage. I have no quarrel with the amendments he has suggested will be presented, and which will undoubtedly be accepted, but I am wondering whether he has gone far enough. He referred to two amendments to delete references to family allowances. The minister suggested that as a result of the debate on the resolution stage the house seemed to be of a mind that the family allowance amendments, certain fiscal arrangements with the province of Quebec which are necessary, and the matter of income tax application should be taken up later and at one time. I agree with this step, because taking them up in a disjointed way does not

give one the whole picture of the application of each segment of the suggested extension of family allowances. I hope when the minister closes the debate he will intimate just when he contemplates the additional family allowances suggested in the budget speech will be effective. I think it is very important that we should know this.

I know there are amendments to the act, or there were, that will have the effect of adjusting exemptions for people receiving family allowances for part of this year, and that sort of thing. However, I am interested in the three categories the minister mentioned which were going to be brought in together at some future date. I am assuming that this entails amendments to the Family Allowances Act and whatever other legislation might be necessary to bring about the abatement for the province of Quebec. I am wondering when he is going to introduce these measures, and also when the family allowances are actually going to have effect. When are the people with children in school going to be able to receive these additional allowances?

The minister mentioned also that there were some further representations which were going to be given study between now and next year. I think the minister might well take a leaf out of his own book and go back to what happened to the budget of 1963. I am not going into past history, but we all remember distinctly that there were retractions, modifications and changes all the way along the line. Are we simply going to take these representations that have been made since Bill No. C-91 reached the floor of the house and deal with them at some future date? I feel we should give very close attention to all of these things at this time.

Earlier I intimated I had spent several hours studying Bill No. C-91 and the application of these amendments to the present act. At one time both the minister and I made our livelihood as practising chartered accountants. I ask him today, in all frankness, could he go back to practice as a chartered accountant today and interpret this act so he could advise clients exactly what they should do, without having to charge the clients an unholy amount of money? I do not think I could, and if the minister could he is brighter than I am.

Mr. Gordon: What do you call "unholy"?

Mr. Monteith: I said an unholy amount of money. My point is that this act has become so complicated that neither a chartered accountant nor some of these lawyers we have in this house could understand the act without giving it so much attention that it would make it almost prohibitive for a client to ask us to interpret the act.

[Mr. Monteith.]

Mr. Pugh: If you had two lawyers, they would be on opposite sides.

Mr. Monteith: As I said, I doubt if I could go back to practising today and do an honest job for a client at a reasonable fee. As a matter of fact this act is getting completely out of hand.

I did mention earlier, I believe, that I would not deal with any specific provision in the bill. However I believe there is one point that I might mention. I am going to refer to the item having to do with research. The hon. member for Edmonton West (Mr. Lambert) mentioned this this afternoon. I recall an experience of my own during my term as minister of national health and welfare. We tried to encourage pharmaceutical firms to do their research in Canada. I admit that very few did. However, these new amendments will encourage firms to have their research done at a head office in the United States, or wherever it may be. I believe we should examine this provision very closely at the committee stage.

I should like to refer to an article in the *Globe and Mail* of May 6, 1964. This article was written by one Ronald Anderson and he is quoting Stuart D. Thom of the Toronto legal firm of Osler, Hoskin and Harcourt. I could not be more wholeheartedly in agreement with what Mr. Thom has had to say in this article, in many respects. He says that the language of Bill No. C-91 has become "tortured and involved." I think those words describe it very well. This has been done in the hope of plugging all possible loopholes, and it will take weeks to trace all its implications. This is my concern. Anything to do with income tax does seem to take longer and longer. I am sure the layman would not have a hope if he were trying to study the Income Tax Act with any idea of ascertaining how it might affect his business. Mr. Thom says that—

> —the government has been unwilling to trust the courts to interpret general terms.

The minister has gone overboard in tinkering in an effort to try to plug up all the loopholes. I am not in favour of taxpayers getting away with anything. I have had to fight some taxpayers in the past who have attempted to get away with things. I am not in favour of that.

I do believe there is some way this act could be revised at this stage. I believe the last complete revision was in 1949. At that time we thought we had a simplification put in front of us. Since then it has grown like Topsy. I will mention one section, section 139, and say that if anyone without experience tries to trace his way through all the

consequences and cross references connected with this section he will be completely lost.

I like this particular term used by Mr. Thom. He goes on to say that the minister has attempted to define each term in specific gobbledegook. I believe that is self-explanatory. He says that the draftsmen have dug themselves deeper and deeper into something. This is my chief concern, Mr. Speaker, the whole business of the Income Tax Act and these amendments, how they will affect the act and so on. I think we are getting this legislation into such form that nobody really knows how discriminatory it might be.

He also mentions section 23 of the act, and we will be coming to that in due course. Mr. Thom mentions, in connection with trusts in which all beneficiaries must be residents of Canada, that it would be impossible in the case of any long-standing trust to apply this test. This is only an example of what people who are practitioners think of the clause in this bill and of the application of the act as a whole. Possibly this is a rather strong term, but he also adds:

> I hope the idiocy of this section will be recognized before the bill is passed.

Incidentally, there is another article here. I do not believe it is by Ronald Anderson but it may be. It is entitled, "Banana-Republic Image Laid to Gordon Policies," and it gives a statement by Mr. A. G. Davies, taxation controller of the Rio Tinto-Zinc Corporation. He says:

> Finance Minister Walter Gordon's attempts to put curbs on foreign investment have caused some foreign commentators to class Canada among the banana republics.

This is what he told the international corporate tax conference, and he added:

> There are plenty of people in England, France and other countries who are extremely sceptical of the role of foreign capital in their economies—

But he goes on to point out that the rules should be made clear before the foreign investment comes in, so that those who provide it would know what they were doing.

The rules should not be changed in midstream, as the minister attempted to do in his budget of a year ago; and unfortunately he has not completely retracted in this budget. Rather than discriminate against foreign investment I believe there should be incentives for Canadian investment in Canadian securities.

Mr. Speaker, I said I would be brief, and I shall be. I would like simply to summarize my own conclusions concerning the minister's approach to the Income Tax Act and how it applies to Canada. I think the minister loves to tinker. He has indicated he is trying to do a tidying up job. That is fine. Tidying up to a degree is acceptable, but I still think he is preserving all the last vestiges of discrimination that he can. I hope and pray he will soon cease trifling and tinkering with the laws which have so much to do with the welfare of our citizens. To me this approach is simply not understandable, and I hope before another year passes, in fact even before we conclude the debate on the committee stage of this bill, the minister will have some change of heart.

Mr. K. H. More (Regina City): Mr. Speaker, I am surprised at the minister being in such a hurry, because it seems to me he loves the limelight and he could have had it all to himself for eight or nine minutes tonight before some of his colleagues came in to back him up. Therefore I hope he will not mind staying in it for a bit longer. He has more support now and should do very well.

Mr. Benson: Where are your colleagues?

Mr. More: I don't need any when I am speaking; I am getting along fine. I do not want to take up the time of the house just to delay this bill, but it is one that has to do with principles concerning income tax, and with perhaps a wider scope of general principles that concern taxation as a whole.

The statements made by the speaker who preceded me had a lot of merit because people across the country are becoming convinced more and more that rather than having a new era, under a new minister who has seen a new light, we are simply having a practising tinker. This word gobbledygook I think is very applicable. Those people who paid tribute to the minister and built up the stature he seemed to enjoy before he came into the house, did it on the basis of a book he wrote, but in the light of the practices he is following today it seems to me that book was a bunch of gobbledygook, and it is no surprise that this term is being applied to the bill which he has presented to the house.

In his short term in office he has tinkered with so many features of the economic field in Canada that nobody really knows in which direction we are going. I am not one of those who have great concern about friendly foreign investment in Canada. The efforts the minister made in that direction were pretty terrible, and it will take us a long time to overcome the results.

I would be far more receptive to the minister and his policies if he showed some concern about the thieving inflation that is taking place in the country. The cost of living continues to jump, and I notice that the report we got today from the dominion bureau of statistics shows it is going up and up across the country. The answer the Prime

Minister (Mr. Pearson) gave yesterday to a question about the rising cost of living, that certainly there would be inflation in this buoyant economy of ours, did not reassure anybody, especially when one considers that there are still over 400,000 unemployed in the country.

I see a misdirection in some of the policies he put forward and in some of the things contained in the general income tax measures being brought before the house. Much of what I had in mind to say on this subject has already been said, and therefore I do not believe it will carry any more weight by repetition, but in case I am not here when we come to deal with certain of the clauses in the bill I wish to pose a question which I hope the minister can answer. It has to do with provincial income tax.

As I understand it, a resident pays income tax on the basis of his residence as of December 31. It has been brought to my attention that there are differences in the provincial income taxes, in some provinces the surtax charge being 17 per cent and in others 23 per cent. Even though a man might have earned eleven twelfths of his income in one province where the 17 per cent is applicable, if he is living in another province on December 31 where the 23 per cent is applicable, he has to pay the 23 per cent on his total earnings for the year. To me this is not right. I suppose it works both ways, but I still think it is an imposition on many individuals.

When a man reports that he has earned eleven twelfths of his income in a province where the 17 per cent applies, and only one twelfth in a province where the 23 per cent applies, I am wondering why he cannot pay the 17 per cent on the eleven twelfths he earned in the first province, and the 23 per cent on the remaining one twelfth?

I was not bright enough to do this. I paid the 23 per cent. I do not quarrel about it, because I live in the most wonderful province in Canada. If we did not have so many laws made down here placing us in a discriminatory position we would have a flowering economy, but I hasten to add that, despite what happened there recently, it will continue to flower in Saskatchewan.

I would like the minister to explain why a man has to pay 23 per cent on his total earnings, if eleven twelfths of them, or ten twelfths were earned in a province where there is only a 17 per cent charge. Why should discrimination of this sort continue to exist? To an average taxpayer, $46 represents a considerable amount. I would be obliged if the minister would turn his attention to this problem.

[Mr. More.]

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, while we are discussing Bill No. C-91, an act to amend the Income Tax Act, I should like to expound a few ideas which, I am sure, should hold the attention of all members. We are living in an economic structure which is strangling the Canadian taxpayer at whatever financial level he may find himself.

I should like to begin by giving the house some statistics concerning the revenue of the Canadian government from taxes of all kinds, for the fiscal year 1962-63.

For instance, the general sales tax brought in the sum of $1,044,557,000; the tax on alcoholic beverages, $206,277,000; the tax on tobacco contributed $367,386,000 to the national revenue. The tax on automobiles yielded $25,270,000, the estate tax, $84,579,000—

An hon. Member: Dispense.

Mr. Latulippe: Other taxes combined brought in some $25 million in revenue.

What do those figures indicate? To a lesser or greater degree, each of those taxes is paid by the consumer, the individual.

Let us now compare the amount of taxes paid by companies, on the one hand, and private individuals, on the other. In 1962-63, companies contributed $1,302,179,000 to the federal treasury, as against $2,051,606,000 for individuals. In other words, individual taxpayers have paid $749,427,000 more than the companies.

Now take indirect taxes and add them to the figures I just gave you; you will see that, proportionally, Canadian taxpayers paid in taxes almost twice as much as the corporations. On the other hand, corporations' profits increased, always proportionally, much more than private income. Evidence that the standard of living is decreasing as far as collectable taxes are concerned is that the Minister of National Health and Welfare had to increase her department's budget by more than a billion dollars this year.

On the other hand, in Quebec, 9 per cent of the population are unemployed whereas, in 1962, the unemployed made up 6 per cent of the labour force; in mid-January this year, 466,000 people were out of work in Canada, that is 7 per cent of the labour force, and needless to say that taxable income, under the terms of the Income Tax Act, is decreasing.

And as budgets increase, taxes in the present situation do not decrease; and it is the workers who, already overburdened, have to take in the increases through government surcharges, at all levels of government, federal, provincial or municipal.

In addition, whoever considers carefully the legislation introduced in any Canadian province, as well as in this house, will readily realize that generally, companies and corporations are getting the most out of them. These companies may be the backbone of the Canadian economic structure but no need to say that the individuals are its blood and that a transfusion will soon be necessary. If the Canadian government is its nervous system then it should give the required impetus.

What is important, therefore, is to legislate with the people in mind and to fully review our position with regard to them.

The family is the basis of our society. It is therefore to the family that the greatest advantages should be granted. Let us take the head of family in the first place. Since everything nowadays is based on interest, from the financial point of view, I suggest that the government should pay interest on taxes collected from taxpayers. This would encourage people to file their income tax return, while reviving the purchasing power, and it would also help to cover, through the additional amounts collected, the administration costs and part of the interest.

I also advocate that the exemptions be increased to $3,000 for single persons and $5,000 for married people and also that a 10 per cent exemption be granted for charitable donations.

We, members of the house, seem to forget that 55 per cent of taxpayers do not earn $4,000 a year and that 34 per cent earn less than $3,000. Therefore, the number of those who pay taxes is rather small compared to the total number of Canadian taxpayers.

This 34 per cent of 4½ million persons represents approximately one million and a half, and if we add to this figure the two million people who paid no income tax at all, if we add their wives and children, unemployed, old age pensioners, disabled persons, widows, small farmers, fishermen with a very low income, there is no doubt that a revision is called for.

We believe that tax cuts should benefit lower and average income groups, who would use this artificial supplement to buy consumer goods and thus help indirectly to maintain a balanced economy.

I wish to make it clear that my suggestion to pay an interest, in the present context of the financial system, is not what the Social Credit party advocates. What we advocate is to give more freedom, to give all the necessary initiative, so that everyone, either at the level of the individual or of the corporations, will be able to develop. According to Social Credit technique, taxation would apply only to capital surplus which are prejudicial to the public weal, by balancing the volume of money and the volume of production. By a dividend originating from the Bank of Canada, the present balance of the gross national product, which is not consumed, would go into the economy, would be distributed, either by a discount offset by a drop in prices or by the dividend as outlined a moment ago. Then, we would not have to overburden individuals or companies, as long as they do not hinder the collectivity. The purchasing power enjoyed by each individual would ensure a sounder administration, quickly remove accumulated debts, give us all kinds of controls and, for once, permit all Canadians to work freely for the development of their country.

Also, the government should insist on the fact that family allowances be paid, even in Quebec, for children 16 or 17 years old, on the basis used previously. It would be up to the Quebec government to increase those allowances in the case of older students. No matter whether it is a joint program or not, we must first think of the welfare of the people; that is our primary duty.

On several occasions, attempts were made to put old age pensions in line with the cost of living. It is also important to adjust family allowances to the cost of living. The government can afford it.

If you consider that at the end of April 1963, therefore a year ago the stocks listed on the stock exchanges were valued at $54,837,791,829 and that a month earlier, they were valued at $52,503,742,402, it goes without saying that the increase of $2 billion was profitable to the companies.

Our financial organization should provide for a participation of the people, to various extents, to any economic growth, whether it comes from the government or private enterprise.

Corporations do not pay succession duties. They are taxed only after reserves and depreciation. They have therefore considerable more advantages over the individuals.

It is essential that the government introduce legislation which looks after the interest of the people in the first place. And if they do not want to cut down taxes, as in the United States, they should at least make sure that there is a fair redistribution or that the whole community pays equal taxes on a proportional basis.

[*Text*]

Mr. Deputy Speaker: I should caution the house that if the minister speaks now he will close the debate.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I shall try to deal with some of the points which were raised.

If I do not deal with them all I hope hon. members will realize they will be dealt with when we come to the respective clauses in the committee stage. I have already suggested to the hon. member for Edmonton West (Mr. Lambert) that some of the points he brought up can, I think, better be dealt with by me when we come to the committee stage.

With regard to some of the points of principle which were brought up, it was proposed that the Income Tax Act should provide for deductions from income of union dues, workmen's tools and equipment, particularly in the case of loggers, farmers' equipment, and all other forms of expenditure which are necessarily paid out in order to earn income. I agree that this is a question of principle and an important one. It is a difficult one to deal with on an individual basis or on an item by item basis. It is a very complex question, difficult to determine, and it is my hope that it will be one of the important subjects with which the royal commission on taxation deals carefully, with the benefit of their research staff. I am rather inclined to think that if we tried to deal with it ourselves hurriedly we would find that we might solve one or two particular situations, but that others would remain to be dealt with. Therefore I would prefer to deal with these various questions, and others like them, in a more general way after receiving the report of the royal commission.

On the question of charitable donations I think I stated in the budget speech, and I think I may have mentioned it again during the resolution stage, that the government has given a lot of attention to the very difficult and irritating problem which several hon. members have mentioned. However, with the staff at our disposal, we were unable to come up with a solution which we thought would be satisfactory, and therefore the late Mr. Garland, the former minister of national revenue, with the approval of the government and after discussions with myself as Minister of Finance, referred the matter to the royal commission and asked them to give it their attention and the attention of their research staff. That is being done.

The hon. member for Burnaby-Richmond (Mr. Prittie) raised the question whether contributions to political parties should be allowed as a deduction for income tax purposes. This is an intriguing idea, Mr. Speaker, but I am not sure whether it is a good one. However, I certainly find it intriguing.

Mr. Pigeon: Ask Mr. Davey.

Mr. Gordon: I understand there is a bill on the order paper which advances this suggestion and I think we might leave it until that bill comes up for debate.

[Mr. Gordon.]

Several hon. members referred to the fact that the Income Tax Act is very complex and difficult to understand. This is a complaint which I certainly share. I think it is extremely difficult. However, I would remind hon. members that with every exception which we add, with every change that we make, and with the implementation of each good idea suggested by hon. members, the act becomes just that much more complex. You can single out any section of the act and say it is more complex than some of the others; but the truth of the matter is that as a whole it is a very complex and difficult piece of legislation.

When we are faced next year with the extremely difficult task of rewriting the tax laws of this country, following upon the royal commission report, I do not know whether we will be any more successful than some of our predecessors in producing a simple, workmanlike, understandable piece of legislation. I hope we succeed; but I think we all know that income tax legislation in other countries is also very difficult and complex. While it is a good thing, I think, to remind ourselves as often as we reasonably can of the increasing complexity of these matters—it is probably good for our souls to have this fact rubbed in now and again—and while I think we should continue to strive for simplicity, I fancy that we will find next year when we are drafting new tax legislation that this is easier said than done. I say that because it is very easy to make funny remarks about the complexity of the drafting of the Income Tax Act.

The hon. member for Perth (Mr. Monteith) referred to a friend of mine, Stuart Thom, who rather delights in making remarks about how difficult the Income Tax Act is to understand. I might say that Mr. Thom is an excellent tax lawyer; I used to retain him myself at one time when I was operating in another sphere. I would remind hon. members—and perhaps Mr. Thom will also be reading *Hansard*—

Mr. Monteith: I wonder.

Mr. Gordon: —that I have on occasion invited anyone who felt so inclined, and practically all the practitioners in the income tax field, to make suggestions for meeting the stated objectives of the government in various fields in simple language which would not be full of loopholes. I do not remember having received any constructive suggestions from my hon. friend's friend, Stuart Thom. I have received, since issuing this invitation, many suggestions from many lawyers and

accountants who practise in the field of taxation, and their suggestions have been included in some of the amendments that are now incorporated in this bill.

Mr. Monteith: I imagine the minister means "some" of their suggestions.

Mr. Gordon: I am referring to their constructive suggestions. Those who just said, "Don't do anything" or, "Don't do anything you set out to do" I have not taken too seriously. As I think by this time some hon. members may realize, it is my hope and it is the objective of this government to see that Canadians gradually acquire a greater share of the resources, the assets and the equities of this country. We believe this will be a good thing. We do not think it can be done without a certain amount of controversy; we do not think it can be done easily, but I can assure my hon. friend that we are not going to be deterred from that objective.

Mr. Monteith: No matter what the penalties are on foreign capital.

Mr. Gordon: Mr. Speaker, there seems to be a little off-stage noise from my friend the hon. member for Perth (Mr. Monteith).

Mr. Monteith: I admit that I did not stand up to make my statement.

Mr. Gordon: However, Mr. Speaker, there are not any penalties that I know of. I do not know whether I would be out of order if I referred to the question that was asked me about the extension of family allowances. I think an hon. member raised the question as to when this particular piece of proposed legislation would become effective. I can assure my hon. friend that, while it is not incorporated in this bill and therefore perhaps it is not appropriate to deal with it, the government has every intention of proceeding with this legislation just as fast as we can. I think if he and other hon. members will wait until tomorrow, perhaps the Prime Minister (Mr. Pearson) will have something to say about that subject.

That is perhaps all I need say at this stage, Mr. Speaker. Perhaps when we go into committee other hon. members will have questions that they wish to raise, and I will do my best to answer them.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1—*Legal costs.*

Mr. Lambert: Mr. Chairman, clause 1 deals with the classification as income of legal costs which may be awarded to a taxpayer by a court of appeal in relation to an assessment of tax. This must be related to clause 3, paragraph five, which appears on page four. I had some difficulty this afternoon—and I wish to thank the parliamentary secretary for his assistance in this connection—in relating the wording of the proposed amendment at line 15, paragraph (w), when in actual fact section 11(1) of the Income Tax Act prior to this year has contained a paragraph (w).

As I said this afternoon, though, I have some difficulty in understanding why there is not any clearcut indication as to just what level of fees or expenses may be incurred by a taxpayer in "instituting or prosecuting an objection to, or an appeal in relation to, an assessment of tax" under subparagraph (w) on page four. I raised a number of questions this afternoon and it is not my intention to repeat them; but I think we must understand that from an administrative point of view there must be some yardstick whereby the Minister of National Revenue will be able to measure whether or not fees are reasonable. I would hope this would not be another area of the Income Tax Act where indirectly the discretion of the Minister of National Revenue is brought into play.

After all, we do know that assessments vary in amount, and of course fees are related to the importance of the problem being taken before the taxing authorities. There are matters which have to be considered, such as the distances that have to be travelled, the number of appearances that have to be made, the calibre of counsel or the accounting firm who may be retained, or the specialist tax adviser. All these matters have to be considered. After all, Mr. Chairman, the business community of this country and all taxpayers are entitled to know, with a reasonable degree of certainty, what they may be allowed. I am not sure that on the face of what is contained in this bill there is any indication of this. There is no provision within the wording of the clauses that regulations may be promulgated in regard to this question. True enough, there are general provisions within the act for the making of regulations, but this matter has worried me considerably, because in my own profession as a lawyer I would like to be able to advise my clients that if they prosecute an appeal and are successful certain of their costs will be allowed, and I should like to know the extent to which such costs are allowed. The cost involved often determines whether a man thinks it is worth the candle to proceed with an appeal. There is no point in his spending hundreds and hundreds of dollars to save a lesser amount of tax if he has to spend a large sum of money prosecuting an appeal which may be disallowed by the Minister of

National Revenue in the administration of this clause. Therefore, Mr. Chairman, I should like clarification from the minister in regard to this question.

In addition I would like to know whether this provision will be implemented with regard to reassessments of taxation for years prior to 1964. Will they have anything to do with assessments for the year 1963 which are now being worked out, or will they have relationship only to assessments in connection with the taxation year 1964? Those are the two prime questions that I put to the minister in this regard.

Mr. Gordon: Mr. Chairman, to answer the second question first, they will apply to any expenses incurred in 1964, whether they apply to the year 1964 or prior years. As the hon. member for Edmonton West pointed out, we are dealing with an item in clause 1 that is related to another item in clause 3. The reason they are taken in this order is that it is customary in these amendments to follow the order of the act. With the consent of the committee perhaps I might be permitted to deal with the two clauses together.

The purpose of allowing expenses in connection with appeals or objections is essentially to give the smaller taxpayer the same break that most large taxpayers have anyway. In the case of many large taxpayers the fees they pay to the hon. member for Edmonton West and other tax lawyers, and to the hon. member for Perth and other tax accountants, are not always broken down and itemized according to each individual service that is performed. Frequently the annual fees that my hon. friend receives as auditor for a company may include an amount which covers all services of this kind and they are allowed as a deduction for tax purposes. Similarly, my legal friends frequently receive retainers which cover a variety of things and for the most part they are allowed as deductions and do not have to be itemized in detail.

But if smaller taxpayers, and sometimes a large one, feel they have not been treated fairly by the income tax authorities and want to appeal they may be in a position where they are afraid it will cost them a lot of money in the form of fees to carry through an appeal, and that the expenses in the form of the fees they incur will not be allowed as a deduction against their income. I think all hon. members really believe that we should, wherever we can, provide for appeals. I remember that last fall some of my hon. friends opposite felt that in another section there was not sufficient provision for appealing from certain rulings. I agreed that this should be rectified and an amendment was introduced which met the wishes of my hon. friends across the aisle.

[Mr. Lambert.]

What we are trying to do here is to give taxpayers as reasonable a chance as we can to appeal assessments that in their opinion are unfair and to put all taxpayers on the same basis. In the case of large companies as I have said, I suspect that most of these fees are allowed as deductions without question. My hon. friend asked if there was going to be some sort of regulations or set of rules which would stipulate the amounts that members of his profession should charge their clients in connection with these appeals. I think that the members of the committee would hesitate before they found it necessary to lay down rules as to what the fair charges should be by a taxpayer's advisers in the field of taxation. By and large I think most lawyers and most accountants who succeed over the years try to charge what they think is a fair fee for services rendered. If they charge too much the chances are they will lose the client or the client will refuse to pay.

I would remind my hon. friend that the taxpayer has a real sanction over the amount of the fees that he is going to pay. It is he who has to pay them. It is true that under the proposed amendment he will be allowed to deduct those fees from his taxable income but if he is in the 50 per cent bracket, for instance, he still has to pay half the fees. When I was in practice I did not find many taxpayers who were prepared to pay me more than I was worth just for the good of my health. I think this will be a pretty good check.

I would also remind my hon. friend that if the income tax authorities felt in any particular case that any expense, including any legal or accounting fee, was unreasonable they could invoke section 12(2) of the act which provides that in computing income no deduction shall be made in respect of an outlay or expense otherwise deductible except to the extent that the outlay or expense was reasonable in the circumstances. That is not a new section. It is there now and it gives the Minister of National Revenue discretion to disallow any expense, including any fee, that he may consider was not reasonable in the circumstances. Presumably if he disallowed some legal fee the taxpayer might appeal again, but that is his right and I think it is a good right to retain.

To come back to clause 1, if under this amendment a taxpayer is allowed to deduct from his taxable income any fees that he may pay in connection with an appeal, it is only reasonable that if he is awarded what are known as costs by the court those costs should be included in his income. Otherwise he would be getting a double break. While I am sorry for taxpayers as a rule I think we have got to be reasonable about this thing,

and he should only get one break and not a double break. That is the purpose of clause 1 in providing that any recoveries in this way should be brought back into income.

Clause agreed to.

On clause 2—*Compensation by Federal Republic of Germany.*

Mr. Lambert: Mr. Chairman, has the minister any estimate of the extent of the payments or indemnities that may be received in this regard? I ask purely for purposes of information. I think every member of the house is in sympathy with the aim of the amendment, but is there any extensive payment under this plan or does it simply involve a relatively isolated number of cases?

Mr. Gordon: We are almost certain it is just a relatively small number of cases where there has been a feeling of injustice. These people were victims of persecution. They are being paid a small amount as compensation for that persecution, if it is possible to measure persecution in terms of a monetary payment, and it was felt they should not be taxed on it. But as far as we know it would not apply to very many people.

Mr. Monteith: Mr. Chairman, I agree entirely with what the minister has said. This provision is to apply to 1960 and subsequent taxation years. Were there any such payments in prior years? Has any attempt been made to tax them in prior years? Why is this being brought forward at the present time?

Mr. Gordon: My understanding is that there have been representations on this point for some time. There may have been some cases prior to 1960 where they were taxed. As my hon. friend knows, under the act it is not possible to go back more than four years. In some cases the records are not available, and that is why 1960 was taken.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, I should like to ask the Minister of Finance what group exerted pressures or made representations to him to have this clause inserted in the act. Was it a special, well-defined group, a racial or social one? Was it an imposing group? Could the minister give us some indication of the number of Canadians affected by the amendment and the approximate amount of income that has entered Canada and will be protected by this amendment to the Income Tax Act?

I seem to detect here a very special intention to have a very particular group benefit therefrom. I have no preconceived idea against anybody, but I would really like to know how did a group of individuals succeed in having amendments brought to the Income Tax Act in order to protect them?

[*Text*]

Mr. Gordon: Mr. Speaker, this group would include people who came from Germany to Canada and who, prior to or during the war, were persecuted in Germany. Following the war, the courts awarded them compensation in the form of certain capital sums. In some cases, they were awarded lump sum payments which have not been taxed, and in other cases instead of lump sum payments the amount was paid over a period of years. These representations were made to the department by certain individuals and also on behalf of other groups by the Canadian Jewish congress.

[*Translation*]

Mr. Marcoux: I appreciate that the minister does not have all the figures at hand, but could be give some indication of the number of people who will be affected by the amendment and of the amount involved? Would it be $100 million, $100, $200 or $200,000? He must certainly have some idea of the amount and I am sure that, with the help of his assistants, he can give us that information.

[*Text*]

Mr. Gordon: I would judge somewhere between 100 and 200 people. I am not in a position to make a guess as to the amount, but it would be a modest sum. Certainly, it would not be anything like the figure my hon. friend mentions. I do not like to guess because I might be quite a bit out.

Mr. Lambert: There is one explanation I should like with regard to the last phrase of this particular subparagraph. It reads:

> —where no tax is payable in respect of that payment under a law of the Federal Republic of Germany that imposes an income tax.

As I interpret this phrase it means that a payment made by the Federal Republic of Germany to this particular class of people shall not be subject to tax where no tax is payable under German law. If a tax is payable under German law, then a tax would also be payable here in Canada. I do not know whether there is a tax convention between the two countries and therefore if a payment is subject to tax in Germany, then obviously it may be subject again to taxation in Canada.

Mr. Gordon: There is a tax treaty with Germany, so if it is subjected to income tax in Germany there would be a tax credit here.

Mr. Rhéaume: I have one brief question for the minister, and perhaps he could have his advisers give us an explanation. Subsection (2)

says that this section is applicable to the 1960 and subsequent taxation years.

An hon. Member: The minister has already explained that.

Mr. Rhéaume: I am sorry; I was distracted.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, I come back again to that point because I find it is a little strange that, for about 200 people, whatever their present social or economic status in Canada, the Income Tax Act should have been amended so that they may get benefits refused to other Canadian taxpayers.

Representations have been made here for many years by various groups which want to benefit to a greater extent from the Income Tax Act; and I notice that special consideration is given to the case of 100 or 200 people, immigrants who came to Canada. I am of the opinion that they do not deserve more than Canadians because if, on the one hand, those people are in need, they are no worse off than those who come under social assistance, like thousands of other Canadians who are dependant on it.

On the other hand, I am surprised that the minister should be willing to accept such a tax exemption which will represent a loss of revenue. Indeed, he claims that he needs more money and he refuses to grant similar advantages to other groups of Canadians who submit requests which are just as justified as those.

[*Text*]

Mr. Gordon: Perhaps I could give some further explanation which may indicate that these people are not in the same class as others. These people suffered persecution in the concentration camps in Germany. They lost everything they had. This is a payment that the government of the Republic of West Germany is making to them as compensation for the loss they suffered. These payments are not coming to them in the form of income. I have felt, and I think others have felt, that it was quite improper that payments of this kind should be treated as income for tax purposes. I can assure hon. members, Mr. Chairman, that if there were a similar situation applicable to Canadians, which thank God there is not, these payments would not be treated as income.

[*Translation*]

Mr. Laprise: Mr. Chairman, could the minister tell us the nationalities of the persons who were admitted to Canada since the last world war and who will get this tax exemption?

[Mr. Rhéaume.]

[*Text*]

Mr. Gordon: I would hope most of these people are now Canadians. Most of them arrived here after the war. I am sure that most of them have received their Canadian citizenship since then.

Mr. Lessard (Lake St. John): They were Germans.

Mr. Gordon: They were Germans or Poles, or other people who were caught up in these atrocities during the war and were placed in concentration camps. I dare say some of them would find difficulty in proving just where they came from, and some might be French.

Clause agreed to.

On clause 3—*Employer's contribution to pension fund.*

Mr. Lambert: Mr. Chairman, with regard to subparagraph (i) of the amendment, there is reference to 120 days as against 60 days. I believe this afternoon the hon. member for Lambton-Kent raised the question as to why there was a distinction between payments made by an employer for his employee into a pension plan and the individual himself making a payment into a registered retirement plan. The individual is limited to 60 days. Undoubtedly, there is a valid explanation, but we would like to have it.

Mr. Gordon: I made inquiries, Mr. Chairman, after this point was raised during the debate on the resolution. I do not believe any representations have been received on behalf of individuals in this connection. I do not think there will be any hardship against any individual. If there is, I would be only too pleased to bring in an amendment next year. But it is desirable in the case of people who know where they stand and, so far as I know, all the individuals affected do know that they should make up their minds to file their claims within two months. I do not believe this is difficult for individuals, and I do not think it will result in any hardship.

In the case of some of the company profit sharing plans, there has been more difficulty because they have not had their books audited by the end of two months, and this is intended to meet that problem.

Mr. Lambert: If this were so, Mr. Chairman, would it not be by reason of the fact that corporations are now required to file their returns by April 30, if the fiscal year is ending December 31; and I believe I am correct, as a result of last year's amendments the income tax return of a corporation whose fiscal year ends December 31 must now be filed by April 30—

Mr. Gordon: May I—

Mr. Lambert: All right—the payment by them. If their books are closed at the end of 120 days they are able to deal with this problem, but why was the figure of 120 days taken? Is this merely an arbitrary figure?

Mr. Gordon: It is just an arbitrary figure, because we received a lot of complaints that 60 days were not enough. Maybe 90 days or 150 days would be better, but I think 120 days will probably meet the problem.

Mr. Monteith: I know that during the resolution stage the minister gave some explanation concerning this but I have just been reading clause 3(2) paragraphs (ii) and (iii). I am afraid I am not just up to it at this stage of the night, of appreciating the full import of this. Could the minister give a brief explanation?

Mr. Gordon: Well, the change is in the number of days.

Mr. Monteith: That is the first one.

Mr. Gordon: I beg your pardon. I think the best thing I can do is read the explanatory note that is printed in the bill, because we took some trouble over it and I think it as clear as I can make it:

> This amendment provides that a deduction for amounts contributed into a pension plan in respect of services rendered by an employee in previous years while he was not a contributor shall not exceed an amount equal to $1,500 times the number of years in which the employee rendered services while he was not a contributor. It also provides that an amount shall not be deducted under the subparagraphs being amended if it was deductible in the immediately preceding year under section 11(1)(u) of the act which refers to a transfer of contributions from a registered pension plan or a deferred profit sharing plan to a registered retirement savings plan or to another registered pension fund or declared profit sharing plan. This amendment also allows an employee to deduct an amount contributed to a pension plan in respect of services in past years while he was a contributor even though he may also claim a deduction in the same year in respect of services in past years while he was not a contributor.

To summarize the situation, the amendment makes three changes. It closes a loophole existing under the present wording. It provides that an amount may not be deducted twice, and it implements paragraph 8 of the income tax resolution which we discussed at the resolution stage. The maximum amount that anybody can obtain under this is $3,000.

Mr. Olson: Mr. Chairman, this clause is very long and involved, and even after reading the explanatory note on the opposite page it is not completely clear. I would like to recite a particular case to the minister and ask him how this clause would apply to it.

For example, there is an employee who has been working a number of years—20 years—for a company that has had a pension plan. Now, for some of those years while deductions for a pension plan were valid as deductions from income, naturally he used them. But then his employment was terminated and he was given a refund of what he had paid into the pension plan plus that portion of the company's contribution which, under the terms of the pension plan, were recoverable by him, and of course the income tax department deducted that portion. They took taxes to make up for that portion that was deducted from taxable income during those years when this was part of the law.

Now he has been reinstated and he has had to pay a lump sum back in, being the total amount he received from the pension plan when his employment was terminated. He was allowed to deduct the maximum of $1,500 from income tax as a contribution to a pension plan and in this case, after his employment was reinstated, the amount of his current contribution to the pension plan was subtracted from the maximum of $1,500, and that amounted to something like $1,200. The income tax department has refused to acknowledge or to make provision for the other amount over and above this $1,200. They have refused to accept this as a deduction in future years. I would like to ask the minister if amending the Income Tax Act in a case such as this will allow for the residue of the sum total he paid back to the pension plan to be carried on in future years until the total is used up?

Mr. Gordon: Mr. Chairman, I am not in the tax practitioner business any more, and I find this a very complicated case. My suspicion is that my hon. friend's friend is in a better position than he was before, on two counts. First of all, I think this amendment will help him, and second, he will be able to pay a fee to some lawyer in an effort to help him solve this problem with the income tax department. But I cannot give a decision or ruling off the top of my head.

Mr. Olson: When we are in the process of passing amendments to the Income Tax Act, respecting contributions to pension plans, I think it would be well for us to understand what the effect of them will be. Does this allow for carrying forward the residue of payments that have been made, when the aggregate of those payments exceeds the maximum of $1,500? Does it allow him to carry the unclaimed balance forward until it is used up?

Mr. Gordon: He is allowed to do that.

Mr. Lambert: I have discussed briefly with the deputy chairman a little matter of procedure with regard to these clauses of the bill which are long and which deal with different subject matters. It would seem simpler to deal with them subclause by subclause. For example, clause 3 has eight subclauses dealing with unrelated matters and I think it would help if we were able to proceed with the consideration of these long clauses on that basis.

The Chairman: I assume that this will be the desire of members of the committee. Without, perhaps, actually carrying the different subclauses we might, for the sake of order in discussion proceed from one subclause to another.

Mr. Lambert: We have finished two.

The Chairman: We have completed consideration of subclause 2.

Mr. Lambert: On page 3, subclause 3, subparagraph (iii) deals with allowances for tuition of part-time students. I have read the remarks which the minister made on the resolution stage and I agree with him there has to be an arbitrary figure somewhere, and perhaps the figure of $25 is a suitable one. However, does the minister feel that within the terminology of the amendment he will cover all the educational groups or institutions which are frequented by part-time students? We know about institutions beyond high school level. That is in subparagraph (i). Then there are schools operated by or on behalf of Her Majesty or in the public field. After that, there are high schools or secondary schools providing courses leading to a secondary school certificate or diploma required for entrance to a college or university. Is this list exclusive, or do other establishments qualify if they meet these same conditions? What about the position of a full-time student who is attending a high school or secondary school where fees are being paid? For example, one of my sons attends a high school where tuition fees have to be paid. He is a full-time student. Presumably, under this measure, I shall have to continue to pay tuition fees. But if I read subclause 3 (iii) correctly, if he were a part-time student at this school which awards a secondary school certificate which is a prerequisite to entrance to a college or a university, I would be entitled to deduct the tuition fees. I am a little surprised at the ambit of this amendment. It had been my feeling that all tuition had to be at the post secondary school level, rather than within the high school level, so as to qualify.

[Mr. Gordon.]

Mr. Gordon: That used to be the case but it would not be so under this amendment.

Mr. Lambert: Therefore the part-time student has an advantage over the full-time student with regard to high school education.

Mr. Gordon: This clause applies to students and obviously it would apply to a full-time student.

The Chairman: Has subclause 3 been dealt with?

Subclause 4? Subclause 5?

Mr. Thomas: On subclause 5. This paragraph has apparently to be read in conjunction with clause one which provides for the reduction of legal costs. Is that right?

An hon. Member: Yes.

Mr. Thomas: The question I should like to ask is this: Is there any chance that under this amendment a taxpayer can claim twice? This new paragraph provides that the amount paid by a taxpayer in relation to an objection to an assessment or an appeal from an assessment can be set off against tax. Suppose a taxpayer incurs $300 expenses to go to Ottawa with counsel. This money is paid. Then, after his case has been heard some weeks later, a judgment is rendered and his costs are allowed. Now we have these two amounts—the amount he has paid and the amount he was awarded by the court. What happens in such a case?

Mr. Gordon: The amount he paid is allowed as a deduction from his taxable income. The amount awarded by the court under the heading of costs is included in his taxable income. One offsets the other.

Mr. Martineau: Would that include accountant's fees as well as legal fees, and does it also include travelling expenses?

Mr. Gordon: Yes.

Mr. Martineau: Is there any limit to the amount which may be claimed?

Mr. Gordon: No.

Mr. Thomas: The way this reads, unless I am all mixed up, which is quite possible, is that the costs awarded by the court may be deducted for tax purposes in addition to the amount that is paid, which may also be deducted.

Mr. Gordon: Perhaps I can help the hon. member. I gave an explanation of this matter when we were discussing clause 1 but if the hon. member was not here he would not have heard it. However, I will willingly repeat it. I will have to begin with clause 3(5). Under the provision there set out, a

taxpayer is entitled to deduct from his taxable income the expenses he has to meet in the form of fees paid to his lawyer or his accountant, and those other expenses incidental to filing an appeal from or objection to an assessment. Those expenses are deductible in the year in which they are incurred. If, following an appeal, the court awards costs—I gather this legal expression means he is reimbursed by the court or by the crown for part of his expenses—the part he gets back will not be considered as free of tax, because he has already been allowed to claim those expenses as a deduction. They are regarded as taxable income.

Mr. Thomas: Can the minister point out the place where that is stated in the bill?

Mr. Gordon: Clause 3(5) refers to subsection 1 of section 11 of the act, which sets out the items which can be deducted in computing the taxable income, which include —and then comes the new paragraph (w), which reads—

—amounts paid by the taxpayer in the year in respect of fees or expenses incurred in preparing... an appeal—

That is where that item would come in the act. If the hon. member refers back to clause 1, reference is made to section 6, which is the section of the act which specifies the items which must be included in taxable income and which will now include these amounts which are recovered through awards of the court.

Mr. Baldwin: Just one brief question. I suppose in the case of a lawyer or accountant, if either one ever gets to paying any tax, and he takes an appeal or an objection, the use of the words "amounts paid" would preclude a lawyer or accountant from being able to claim an exemption under this clause 3(5); am I correct in that?

Mr. Gordon: I think so. After all, if a lawyer or an accountant, instead of working for a client and earning income, takes a few days off to fight his own claim, that is his privilege.

Mr. Hales: In view of what the minister has said tonight in connection with section 5 and the related section 1, I think we are passing some legislation here which is not necessary. I think this piece of legislation is going to jam up our courts of appeal. There are already more appeals and objections being filed than the department can handle, and we are now going to make it possible for those appealing to have their costs paid, and there is no limit on the costs. This is a real bonanza for the lawyers and others in the profession. I think we are introducing legislation here which is not necessary and that in a year or two we will be sorry it was ever put on the books.

Mr. Gordon: Perhaps I should make the speech I made earlier on clause 1 when some of my hon. friends were not here.

Mr. Hales: I heard it.

Mr. Gordon: Then if it was not convincing I see no point in repeating it.

The Chairman: Shall we now move on to subclause 6?

Mr. Lambert: Subclause 6 is related to clause 6 of the amended act. I find the principle rather startling. I should like the minister to correct me, but I think that in accepting this amendment we are accepting the principle that there can be a loss in the disposition of a capital asset in the nature of a depreciable property. For example, suppose I own a house which I have rented or I own an apartment block which I have rented, and which is subject to depreciation. It is still a capital asset. Then I sell it with either a mortgage back or on the basis of an agreement for sale. Then a year or two later I need some cash so I am prepared to sacrifice this mortgage or agreement for sale at a discount. To the extent that the proceeds of this mortgage or this agreement for sale are less than the face value of this contract of mortgage or agreement for sale, I am entitled to claim that loss, which is a capital loss, as a deduction from income.

To me, Mr. Chairman, this is a departure, because if, on the other hand, I hold another capital asset on which I suffer a loss on disposition, I am not entitled to deduct the loss from income in that taxation year; I am given the contra-privilege that if I sell it at a profit I am not charged income on the excess. It may be that I misunderstand the principle underlying this amendment, but I should certainly appreciate getting from the minister the rationale. I realize this will also be related to clause 6, because I think clause 6 is a related amendment.

Mr. Gordon: First of all, Mr. Chairman, dealing with the principle of the paragraph itself which is amending the section, if a taxpayer has a depreciable property and he sells it for more than its written down value, he pays tax on it.

Mr. Lambert: On the recapture.

Mr. Gordon: If he sells it for less than its written down value then he can claim the loss against his other income if it is the only asset in that particular class for depreciation purposes. This is the law as it stands. All that this amendment does is to extend the

section to include agreements for sale and put them on all fours with mortgages or hypothecs relating to land.

Mr. Lambert: Am I correct in my re-examination of this matter that the sale refers not to the disposition of the mortgage or the agreement for sale at a discount but to the actual sale of the property in the initial instance at a figure below the depreciated value of the capital asset?

Mr. Gordon: There is just one more step here. If it is a depreciable property and a man sells it under an agreement for sale for $10,000, this gives him a profit over and above the written down value of, say, $2,000, so he pays tax on that.

Mr. Lambert: On the $2,000.

Mr. Gordon: Yes. Now, if he subsequently does not collect the $10,000 under the agreement for sale—say he only gets $7,000 for it—he can then recover the $3,000.

The Chairman: Shall we go on to subclause 7?

Some hon. Members: Carried.

The Chairman: Shall we go on to subclause 8?

Some hon. Members: Carried.

Clause agreed to.

Clause 4 agreed to.

On clause 5—*Unpaid amounts.*

Mr. MacNaught: I move:

That Bill C-91, an act to amend the Income Tax Act, be amended by striking out lines 37 to 39 on page 5 and substituting therefor the following:

"dealing at arm's length at the time the outlay or expense was incurred and at the end of the second taxation year following the taxation year in which the outlay or expense was incurred, is unpaid at the end of that second taxation year, either"

and that the said bill be further amended by striking out lines 12 and 13 on page 6 and by substituting therefor the following:

"(ii) that person shall be deemed to have made a loan to the taxpayer on the first day of the said third taxation year in an amount equal"

The Chairman: Shall the amendment carry?

Mr. Monteith: Mr. Chairman, I wonder whether the minister would just give us a summary of the effect of this amendment? It all seems pretty complicated to me.

Mr. Gordon: Mr. Chairman, the effect of the proposed amendment—not this amendment to it—is that the taxpayer shall deduct an expense in the year it becomes owing even if it is not paid in that year. Those taxpayers will not be able to postpone the deduction of expenses involving payments between persons at arm's length to obtain a tax advantage. That was the purpose of the main clause. When the tax foundation examined the proposed bill, they thought that the addition of the words that have been read out in this proposed amendment would tie it down a little more tightly. This particular amendment does not alter the substance of the proposed legislation, but it was suggested by the representatives of the tax foundation, and we agreed with them, that these changes in wording would remove the possibility of uncertainty concerning the interpretation of the new provision.

Amendment agreed to.

Clause as amended agreed to.

On clause 6.

Mr. Lambert: Mr. Chairman, I think clause 6 deals with the particular problem which I raised, although it was related to clause 3 subclause (6), that in this instance the instrument, the agreement for sale is sold at a loss. I presume this is in order to achieve the same end, that if a taxpayer has paid the tax on recaptured depreciation, and then sells the agreement for sale at less than the actual depreciated value of the property, he will be able to get an adjustment with respect to that particular loss.

Mr. Gordon: The hon. member is quite right, Mr. Chairman. It does exactly the same thing as did the other clause, but in this case it relates to the situation where the transaction occurs in the one year. There is no delay.

Clause agreed to.

On clause 7.

Mr. Rhéaume: Mr. Chairman, when this question was discussed the last time in the house some time ago, along with other hon. members I raised several points which I asked the minister to clarify. At that time the minister, in order to expedite the business that evening, suggested that we wait until we were at the committee stage after second reading, and at that time he would answer quite a few specific questions that had been raised in relation to family allowances. I am well aware that the rules and regulations under the Family Allowances Act are quite a different matter; none the less—

Mr. Gordon: Mr. Chairman, I wonder if my hon. friend would permit me to point out that, as suggested by the hon. member for Edmonton West, perhaps we might deal with these clauses which contain quite a number of subparagraphs, one subparagraph at a time. I think the point my hon. friend is raising is found in clause 7(3).

The Chairman: Shall clause 7, subclause (1) carry?

Subclauses 1 and 2 agreed to.

On clause 7(3).

Mr. Gordon: With regard to clause 7(3), it is moved by Mr. MacNaught:

That the said bill be further amended by striking out subclause (3) of clause 7.

Amendment agreed to.

Clause as amended agreed to.

On clause 8.

Mr. Lambert: With regard to clause 8, Mr. Chairman, I would ask the minister whether this provision should not actually be incorporated into the appropriate act. If I remember rightly, this provision has been in existence for about eight years. It deals with children of immigrants in respect of whom an allowance is paid during their first year of residence in this country, since under the Family Allowances Act a year's residence in this country is required before a child may qualify for family allowance. How will this provision affect those children who may now be 16 and 17 years of age? Are they going to receive the same compensation on the basis of the proposed increase under the Family Allowances Act? If they happen to live in the province of Quebec, how is this provision going to be administered?

As it is ten o'clock, Mr. Chairman, I think the minister might ponder on this little problem for consideration and clarification at the time we deal with the amendments to the Income Tax Act and the Family Allowances Act dealing with the extension of family allowances.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, may I ask about the business for next Tuesday, if the acting house leader can tell us.

Mr. MacNaught: Mr. Speaker, the business for next Tuesday will be as outlined by the house leader last night.

Mr. Churchill: That is, the bill to amend the Income Tax Act?

Mr. MacNaught: Yes; and tomorrow we will take up the estimates of the Department of Agriculture.

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

Proceedings on Adjournment Motion

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

DOMINION-PROVINCIAL RELATIONS—QUEBEC-FEDERAL PARTICIPATION IN PROVINCIAL STUDY OF INDEPENDENCE

Mr. Deputy Speaker: In accordance with provisional standing order 39A, a motion to adjourn the house is deemed to have been made and seconded at this time. Therefore, the question is that this house be now adjourned. The hon. member for Port Arthur.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, my question was: I should like to ask the Prime Minister whether he is considering taking any immediate public position with regard to the official endeavour of the Quebec legislature in studying factors relating to the separation of Quebec from Canada? We remember well, Mr. Speaker, that as the propaganda build-up reached its crescendo before the last election the Liberal party claimed two points above most others. First, they had a leader who would lead, not procrastinate, who would make decisions, not postpone them. Second, aside from other inherited virtues such as administrative genius, the Liberal party through history and in present support was the chosen vehicle, probably by act of God himself, to bind the French and English speaking people of Canada together.

I remember in the last campaign an article beneath a picture in the Toronto Liberal twinkle explaining the significance of the affable platform togetherness of Mike and Jean. What a "combo". At last a man and party in Ottawa to match and understand the new Liberal hero in Quebec. At last someone who really understood the aspirations of Quebec.

We have had that party and that leader for 14 months. I ask any member of the house to answer this fairly: Have the relations between French Canada as represented by Quebec and English speaking Canada improved? Of course they have not. The responsibility for the drift, the indecision, the wavering, the howeverish, maybeish, on the otherhandish approach is, it seems to me, the inanition of the Prime Minister (Mr. Pearson).

If anyone in English speaking Canada comments unfavourably on this or on the quiet revolution and its course, he is labelled as destructive and as an English speaking separatist. The Prime Minister perambulates saying that English speaking Canada must realize that if we lose Quebec we will slip down the slope into the United States. It would seem to me that the new dispensation this government has given us overlooks the

national spirit and loyalty to a Canadian concept of English speaking Canada in its apparent willingness, if you follow the cliches of the Prime Minister and the Minister of Justice (Mr. Favreau), to decentralize. Quebec, they say, and many of us agree, is not a province like the others. Then they go on to glorify and support a decentralization that must destroy the Canada that many of us thought we had. It is the Prime Minister and no one else who has the policy that will fragment Canada and lead to American absorption.

The question raised in the house is a case in point. What a reflection, when you think of it, that it had to be asked. Can you imagine presidents Kennedy or Johnson or even Eisenhower remaining mute at the decision of a state in the American federation through its state legislature to study and report on the separation of that state from the union?

The situation revealed by the Quebec legislature's intention is covered very well in the discursive report in yesterday's Montreal *Star*. Listen to it and you will see why I ask the question and why it never should have had to be asked, why the Prime Minister should have given a statement on the attitude of the government toward this intention. I am not suggesting for a moment that the Quebec legislature should not go ahead with this kind of study, but surely I as a citizen of Canada should not feel that I may have to turn to the premier of Ontario to get someone who will go into Quebec, deal with these people and see if we cannot turn aside from the direction in which we seem to be going because the federal government cannot seem to do anything about stopping it. The story reads as follows:

> On the surface, at least, nobody has any real quarrel against the study that will be undertaken in the next few weeks by a group of experts to find out what possible repercussions separatism might have on the people of Quebec.
>
> Interviews with prominent legislature members and high civil servants showed that the move is welcome in all quarters. One member of the legislature—who asked that his name be kept secret—said he did not think the separatists themselves would be "angry" because the government is actually "recognizing a fact of life".
>
> He added that the group of experts—still to be appointed—will, in fact, feel the pulse of the population and report on the real implications that would face the people should Quebec secede from confederation.

The Prime Minister has told us that he does not intend to preside over the dissolution of Canada. I suggest that it is about time he took a more positive stand than his present lack of any comment on this matter would seem to indicate.

> Yesterday, the parliamentary committee on the constitution decided to ask a number of specialists to try to find out what "possible repercussions the independence of Quebec would have on the economic, political, social and cultural realities of the problem."

I suggest there is one point that they missed in their study—what these economic, cultural and social repercussions would be on the rest of the country. It is a rather dreadful irony that at the very time the royal commission on bilingualism and biculturalism is peregrinating across the country, especially in English speaking Canada, asking for English speaking Canadians to consider a move toward some greater understanding that we have this particular move within the province of Quebec and no real reply to it. What an irony that these two commissions are going on at the same time.

I continue to quote from the story, Mr. Speaker:

> But the main problem is not what the group of experts will find out, most sources say. Rather, it is what the committee on the constitution is ready to accept as a fact and thus recommend to the legislature.
>
> This, they say, is the major point. No matter who takes an active part in the study on separatism, their conclusions will influence the policy of the government for years to come.

This is rather obvious, yet we do not even have a statement of the position of the federal government except from those federal cabinet ministers who go into Quebec and appeal to the people not to talk about separatism.

Mr. Deputy Speaker: Order; I hate to interrupt the hon. member, but his time has expired.

Mr. Fisher: Mr. Speaker, I do not want to challenge your ruling but I was watching the clock and I thought I started at three minutes after ten.

Mr. Deputy Speaker: There is a time keeper at the table who recorded when the hon. member for Port Arthur started. I have been informed he started at 10.01 and it being now 10.08 the hon. member's time has expired.

An hon. Member: He did not start then.

Mr. Deputy Speaker: The hon. member will realize I do not want to become embroiled in a controversy. If the hon. member feels he should go on for another minute, I certainly would not want to deprive him of that. Is it agreed?

Some hon. Members: Agreed.

Mr. Fisher: I continue quoting:

> Cabinet ministers, on the whole, are behind the idea of a study on separatism. They say—although none of them would like to be quoted here—that they will be glad when the findings of the inquiry have been made public.
>
> They also say a cool analysis of the "revolution in Quebec" will profit the party in power, because it will give it a tool against the opposition, already trying to woo the separatists.

Should the movement prove itself economically and emotionally profitable, a cabinet minister told me yesterday afternoon, then there would be no alternative for the government but to separate from the rest of Canada.

I just put that on the record, Mr. Speaker, to indicate what I think is the seriousness of the possible result of this study if the national government, and I assume we still have a national government, does not take some kind of public position on what contribution it is going to make to this question.

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, in my opinion, the position of the Prime Minister on this matter has been made abundantly clear. Separation is unthinkable. Let me quote from the Prime Minister's speech in the budget debate which appears on page 2145 of *Hansard* for April 14, 1964. I quote:

Every province must be in a position to exercise its right and discharge its responsibilities, and Quebec in these matters has a special position. But equally it must be accepted and established that Canada is above all the provinces, embracing all the provinces, respecting provincial division and provincial responsibility, but that Canada, as a nation, is greater than its parts or the sum of its parts. French speaking Canada must play a proud and equal part in that nation, must feel that it belongs to Canada and that Canada from sea to sea belongs to it.

Canada is a very proud name in the world today and has been over the years. Our country need not and must not become balkanized—

Farther along I read this:

We must do nothing, either by provocation or by weakness or by stubborn unawareness of the basic nature of our federalism or by words or actions based on prejudice or fear, to bring about that weakening or disappearance.

I think those quotations, Mr. Speaker, should answer the question raised by the hon. member.

ADMINISTRATION OF JUSTICE—QUEBEC—FRAUDULENT BANKRUPTCIES IN HOUSING CONSTRUCTION

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, a few days ago, I directed to the Minister of Justice (Mr. Favreau) a question which I would like to repeat tonight to the house:

At the request of home builders of the province of Quebec in particular, does the government intend to amend the Bankruptcy Act in order to stem the present wave of fraudulent bankruptcies in the field of housing?

May I say that French Canadians had nothing to do with 86 per cent of commercial bankruptcies in Canada and 72 per cent of those which occurred in the province of Quebec in the first quarter of 1964. This was shown by the economic development council in its bulletin: Le Laissez-passer canadien-français.

On the other hand, if I refer to a report from the dominion bureau of statistics, here is what it says:

In 1963, there were 3,678 commercial bankruptcies in Canada (3,190 in 1962). Their total liabilities amounted to $193,771,000 ($149,440,000).

In the housing field, there were 714 bankruptcies in the total amount of $40,137,000.

Mr. Speaker, while Hon. Mr. Fulton was minister of justice, he had instituted, in 1962, I believe, an inquiry on bankruptcies. I am wondering why this government has not continued the excellent work undertaken by the minister of justice?

In my opinion, it is important and urgent—in fact nationally urgent—to amend the Bankruptcy Act so as to prevent as many frauds as possible. There are in Canada people of good faith who lose large amounts of money because the Bankruptcy Act is too vague.

Mr. Speaker, there is another important point I should like to stress concerning bankruptcies. The 11 per cent tax on building materials contributes to the financial difficulties of contractors and subcontractors. It should not be forgotten that a housebuilder's margin of profit is only 10 per cent, according to statistics; therefore, it is not surprising that bankruptcies are on the increase in Canada.

It seems to me that it is necessary and even essential to amend the Bankruptcy Act if we are to prevent as much as possible those frauds which involve great losses for private enterprise.

[*Text*]

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, in reply to the question raised by the hon. member I must say I am unable to accept the premise contained in it. His question affirms that there is at present a wave of fraudulant bankruptcies in Canada, particularly in the field of housing. I have made inquiries of the officials in the Department of Justice, in particular of the officials charged with the administration of the Bankruptcy Act, and they inform me there is no evidence in the department that would support the premise alleged by the hon. member that there is a wave of bankruptcies involving fraud at the present time.

Very often we read in the newspapers and hear statements that fraud exists to a great extent in bankruptcy proceedings, but on investigation these prove to be rumours, surmises and not borne out by the facts.

We have had, of course, many representations from responsible people to the effect that

the Bankruptcy Act should be amended, particularly in relation to fraud. I am sure the hon. member will realize that there is a conflict of jurisdiction here. The federal government has exclusive jurisdiction in the field of bankruptcy, but the provincial government is charged with the responsibility of the administration of the criminal law, and the line here is rather close and difficult to define. For that reason much care must be given to this subject. I want to assure the hon. gentleman that the problem of amending the Bankruptcy Act is receiving very careful study at the present time.

FINANCE—INQUIRY AS TO POSSIBLE TAX REDUCTION

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, last Tuesday, that is on May 12, 1964, I put the following question to the Minister of Finance (Mr. Gordon):

> In order to stimulate the Canadian economy, does the minister intend to comply with the wish expressed by the president of the Canadian Manufacturers' Association, Mr. Roy Crabtree of Montreal, who asked recently in Calgary for a reduction of the fiscal burden similar to that applied by the United States government?

Mr. Speaker, everybody knows that our southern neighbours have decided to reduce the fiscal burden by $11 billion this year, in order to stimulate the expansion of their economy.

I am in perfect agreement with the president of the Canadian Manufacturers' Association, and I think that if a tax cut were implemented in Canada, our economy would benefit greatly.

Taxes are designed—I suppose that the Minister of Finance is aware of that—not to take money where there is not any but to remove financial surpluses. But what happens now, under our fiscal system, is that money is being taken where there is not enough and that creates problems for the Canadian consumers. If they are deprived of part of their income, Canadian consumers cannot buy in stores, keep their business going or spur the economy. That increases unemployment and does not reduce in any way the cost of living.

Mr. Speaker, I believe that the Minister of Finance should listen attentively to the requests of the Canadian Manufacturers' Association and of all Canadians.

We know that last year, when the minister levied a new tax or rather when the 11 per cent tax on building materials came into effect, there was an outcry of protests from house builders as well as from Canadian manufacturers.

[Mr. MacNaught.]

In my opinion, the minister would be quite popular with Canadian taxpayers if he granted a tax reduction to get business rolling in Canada and to keep it under our control, so that what is now left to us will stay in our hands.

This tax burden which we have to bear has for effect to put a greater part of our business undertakings, of our industries and of our trade under American control.

On February 24 last, Mr. Maurice Huot, editor of the newspaper *Le Droit* stated in an editorial:

> One of the results of the rising government expenses coupled with increasing taxes is to place more and more the country under foreign control.

Mr. Huot also recognizes that this tax load allows foreigners to take over the trade and the business undertakings of the country.

I feel that the minister, even though he had a very busy day with the discussion of the Income Tax Act, should lend a sympathetic ear to those claims and announce a tax cut for all Canadians.

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, in reply to this question I should first of all like to remind my hon. friend that in the budget speech I gave certain comparisons of the taxes payable by Canadian individuals and by corporations compared with their counterparts in the United States after the United States cuts have gone into effect. Those comparisons showed that in almost all cases except those in the high income brackets the Canadian taxpayer will still be paying less income tax than his counterpart across the line.

I would also remind my hon. friend that in the budget speech I forecast a deficit for this current fiscal year of some $455 million. Since then and following the federal-provincial conference in Quebec the federal government has proposed that very substantial transfers be made from the federal government to the provinces, which will mean quite substantial reductions in the federal government's revenue not in this current year but in the future.

I did notice the proposals of the president of the Canadian Manufacturers' Association. He has been making these same proposals for some time. I saw him shortly after he made his speech in Calgary. I also saw him in Vancouver, but on that occasion it was my turn to make the speech. I pointed out at that time that the Canadian economy is going ahead at a very encouraging rate; that the pick-up over the corresponding situation a year ago is very marked and encouraging.

This is a fact with which I think we can all be delighted. I am not suggesting the situation is as good as any of us would like to see it in every single section of Canada, but taken as a whole the improvement is very encouraging, particularly as the near term prospects are equally good.

Mr. Deputy Speaker: Order. I regret I have to interrupt the hon. minister. Pursuant to special order made earlier this day this house stands adjourned until ten o'clock tomorrow morning.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, May 15, 1964

The house met at 10 a.m.

PRIVILEGE

MR. THOMPSON—ANNIVERSARY OF NORWEGIAN DECLARATION OF INDEPENDENCE

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a question of personal privilege. The purpose of my point of privilege is twofold. The first is to draw to the attention of the members of this house and the nation the fact that on Sunday, the day after tomorrow, our good friends, citizens of the free, independent, indivisible and inalienable nation of Norway, celebrate the 150th anniversary of their constitution and declaration of independence.

The Norwegian constitution is one of the oldest existing constitutions of the world and its worth and fundamental, democratic basis have withstood the test of time with only minor change. In fact it stands as an outstanding document guaranteeing the basic human and civil rights, freedom of speech and press and the just rule of law. The constitution of Norway had a dramatic birth on May 17, 1814, in the shadow of events centring around the fall of Napoleon, the result of European power politics, democratic currents of enlightenment and national awakening.

This historic milepost in the history of Norway and democratic parliamentary government will be of much interest to Canadians as we look forward to our own centennial in just three years, and even before that time the repatriation of our constitution to Canadian soil. This being Citizenship day, I am sure the thousands of loyal Canadian citizens of Norwegian stock, a number of whom are in this house, share my own keen interest.

Actually the history of Norway's government goes back more than a thousand years, the country having been unified under a monarchy about 900 A.D. This brings me to my second point. During recent months the veteran Norwegian explorer, Dr. Helge Ingstad, has unearthed definite evidence that the first European settlers on this continent were the Norwegian Vikings, the best known of whom is Leif Ericson, who some 500 years before Columbus settled on the northern tip of Newfoundland. The "Vinland" of those early settlements described in Nordic history has now been verified to have been near the fishing village of L'Anse aux Meadows, near Belle Isle. The foundations of the first buildings, their design, the metal tools and nails have provided archaeological proof that the first colonists of Canada arrived here approximately 550 years before the first French or English colonists. Therefore, Mr. Speaker, having regard to these historical facts, I suggest that the government give consideration to declaring May 17 a national holiday to be known as Leif Ericson day.

Mr. Speaker: Out of respect to the origin of many of our fellow compatriots I did not stop the hon. member, but I have serious doubts that this is the proper time for that type of question of privilege.

MR. FAVREAU—REMARKS IN DEBATE BY MEMBER FOR JOLIETTE-L'ASSOMPTION-MONTCALM

[*Translation*]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I must rise on a question of privilege involving the conduct and reputation of all hon. members.

Yesterday, during a speech on a motion introduced by the hon. member for Pontiac-Témiscamingue (Mr. Martineau), the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon)—

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I ask whether, a statement having been made last evening, the minister can rise now on a question of privilege which should have been raised at the time. I have had this same order made against me on occasion. In other words, a question of privilege cannot be the result of afterthought with a full night to think it over.

Right Hon. L. B. Pearson (Prime Minister): Surely the hon. gentleman is entitled to raise a question the morning after a statement is reported as having been made to this house. This is the first opportunity he has had to read *Hansard* which would confirm what he believed had been said in the house. Surely to prevent a question of privilege being raised so soon after the statement was made would be stretching the rules indeed.

Question of Privilege

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in this regard I would draw your attention to an occasion in the parliament of 1962-63 when a point of privilege arose under circumstances similar to those relating to the one being raised now. The then minister of justice raised a point of privilege and the present Minister of Transport (Mr. Pickersgill) immediately got up and interjected that the then minister of justice had had an opportunity a half hour earlier of raising a point of privilege and, therefore, he was too late. This was the opinion expressed by the present Minister of Transport when he was a member of the official opposition, and it was accepted by the Chair and accepted by the government of the day. I would put it to Your Honour that a point of privilege on a statement made in this house, and heard by the members in this house, must be raised at the time and not the next morning.

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should also like to set forth my views on the question of privilege raised by the Minister of Justice (Mr. Favreau). Mav I point out to Your Honour that the minister was in the house yesterday when the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) made his statement and that he even protested, but he did not rise on a question of privilege or propose a motion.

Therefore, I submit to the house that it is too late—

Mr. Favreau: Mr. Speaker, I am sure that if the hon. member had referred to *Hansard* this morning, he would have realized that a question of privilege could not have been raised yesterday, that it could be raised only this morning.

At page 3276 of *Hansard* we see that, right after the incident about which I am raising a question of privilege the Deputy Speaker announced that the time allowed for the debate then taking place had expired.

I refer to page 3276 of *Hansard* of May 14, 1964, right hand column, at the top of the page:

[*Text*]

Mr. Deputy Speaker: Pursuant to provisional standing order 47, subsection 2, I must advise hon. members that the time allotted for consideration of this motion has expired, except for two five minute periods, one for a minister speaking on behalf of the government, and one allocated to the mover of the motion who will close the debate.

[Mr. Pearson.]

[*Translation*]

It is obvious that the first opportunity when an hon. member affected by the charge made yesterday by the hon. member for Joliette-L'Assomption-Montcalm could rise, was at the beginning of this morning's session, and that is what I did immediately—

Mr. Lambert: Not at all.

Mr. Favreau: —all the more so, since it is when reading over the text of yesterday's official report that it can be seen that if he had not misunderstood the meaning of some words, the hon. member for Joliette-L'Assomption-Montcalm, having had the opportunity to read over what he had said, would probably have withdrawn his remarks, which is what I intend to ask him to do after I have given the following explanation—

Mr. Lambert: No, no, Mr. Speaker, not at all. I rise on a point of order—

[*Text*]

Mr. Diefenbaker: The minister cannot go on like that, Mr. Speaker, because we have raised the objection that privilege cannot be raised at this time. He has answered himself. He was in the house. He rose on a point of order. If he does not know the rules, he should. It is too late now to have a second thought and a second point of privilege, and I ask for your ruling, Mr. Speaker.

Mr. Speaker: Order, please. I think it is almost elementary that the Chair has at least to hear the reasons put forward by any hon. member as to why he thinks he has a question of privilege before the Chair can reach a decision. That is why I was listening to the minister.

Mr. Diefenbaker: Well, now, Mr. Speaker, I very seldom rise to suggest that Your Honour give reconsideration to a matter, but the minister says he has a question of privilege. That question of privilege he had last night. He now admits that. He says he was present but he did not have an opportunity to raise it. A reading of the record indicates that he had the opportunity; and certainly questions of privilege, as Your Honour has pointed out very strongly and definitely, are not to be moved unless they come strictly within the rules.

There is no rule that allows anyone in the house, having looked the matter over and considered it for several hours, having been in the house last evening between eight and ten o'clock, and having been present when the statement was made, to have a night to think it over and now say he rises on a

question of privilege. I am asking Your Honour to make a ruling as to whether you are going to decide that matters of privilege can be raised by anyone who, being in the house, does not challenge the statement at the time by privilege, and then subsequently decides he is going to do so.

That is the essence of the matter. To allow the minister to go ahead and place his statement before the house would be in effect to allow him to present his whole argument, and then have Your Honour determine whether or not it is a question of privilege. My point is that there cannot be a question of privilege raised at this time, and I am asking a ruling on that.

Mr. Pearson: On that point, Mr. Speaker, in view of the fact that questions of privilege have been raised—and some were ruled out of order—dealing with statements that sometimes have been made days before in the house, and in view of the fact that this question of privilege may require a motion to be made which could not have been made before, surely you are not going to prevent the minister explaining his point of privilege.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct Your Honour's attention to a precedent of only a couple of weeks ago. On Monday, April 27, the hon. member for Labelle (Mr. Girouard) made a statement in the house, of which I think all hon. members are generally aware. Shortly after he had made that statement I, being in the house at the time, said this:

> Mr. Speaker, I rise on a question of privilege. I should like to enter a caveat, because after we have had a chance to read what was contained in the statement made by the hon. member for Labelle, some of us may want to raise a question of privilege tomorrow and move the kind of motion which was just suggested.

The next day, April 28, I rose at the opening of the house on a question of privilege and referred to what had been said the day before, which I had by then had an opportunity to read, on the basis of which I moved a motion for reference to the committee on privileges and elections which was allowed, debated and passed unanimously.

I submit that though there is a slight difference in that the Minister of Justice did not enter a caveat last night, there is great similarity between the two cases, and what the hon. gentleman is seeking to do today is exactly what I sought to do on April 28; that is, to raise a question of privilege at the first moment after there has been an opportunity to read the actual words which had been uttered.

Some hon. Members: Hear, hear.

Mr. Donald MacInnis (Cape Breton South): The minister told us there was no opportunity to raise this matter last night, and he referred to the half hour between 10 p.m. and 10.30 p.m. taken up by special questions. I call his attention to the fact that the allotted 30 minutes was not completely taken up last night, and that the house rose at 10.25 p.m. Had the minister been present he would have had an opportunity in those remaining five minutes to raise this question of privilege. As to the hon. gentleman's statement that time was not available, he would not have known about it because he was not present after ten o'clock.

Mr. Speaker: I think at this stage I might clear up the point which has just been raised by saying that the period allotted between 10 p. m. and 10.30 p.m. is for the purpose of dealing with three questions raised by three hon. members. If those hon. members do not utilize the full time of 30 minutes, the remaining time lapses. The 30 minute period does not allow for the raising of other points.

Mr. Bell: Is Your Honour ruling that we cannot bring up a question of privilege between 10 p.m. and 10.30 p.m.?

Mr. Speaker: That particular question is not before the house. We have plenty to deal with at the present moment.

Mr. G. H. Aiken (Parry Sound-Muskoka): I should like to make two comments on the point of order. First, with respect to the remarks of the hon. member for Winnipeg North Centre, may I say I feel he has proved the very point I was trying to make. In the case to which he has referred there was a caveat entered. At the very moment when the incident occurred the possible question of privilege was drawn to the attention of the house. It was afterward followed up, as I think the rule really intends. Furthermore, what the minister raised last night was point of order. If he had felt there was a question of privilege he could have raised a question of privilege. Instead, he apparently felt at that time it was only a matter of procedure.

[*Translation*]

Mr. J. A. Habel (Cochrane): Mr. Speaker, about this question of privilege, I should like to draw your attention to page 3276 of *Hansard* where you will find that just after the hon. member for Joliette-L'Assomption-Montcalm said this:

I am not at all surprised at what happened at the government caucus, because I know very well the habits of the Minister of Transport since he has been sitting here.

I got up from my seat in order to raise a question of privilege. The Deputy Speaker did not even give me time to put my question of privilege and called me to order. It was my intention, therefore, to rise immediately on a question of privilege yesterday afternoon.

[*Text*]

Hon. Gordon Churchill (Winnipeg South Centre): The subject which the Minister of Justice is attempting to raise, Mr. Speaker, was a matter of debate yesterday. At that time charges were made and denials were made by the Minister of Justice. If a question of privilege is allowed on this issue we will be faced in the future with subsequent questions of privilege following debates in this house, where we are quite accustomed to charges being made and denials being offered. The Minister of Justice had every opportunity, and took it, yesterday in the debate to speak against the statements made by the hon. member who had the floor at that time. As I have said, he took that opportunity, and surely he cannot now raise a question of privilege on something on which he has been reflecting overnight.

If this is permitted, Mr. Speaker, there will be no end to questions of privilege based on previous debates. It is during the debate that answers are given to statements made. If the Minister of Justice had wished a withdrawal at that time, he could have asked for it. As I read *Hansard* the hon. member for Joliette-L'Assomption-Montcalm made a certain statement and the Minister of Justice denied that statement. This happens all the time in debates in this house, and the matter rests at that point.

Mr. Martineau: Mr. Speaker, there is just one other point I should like to raise further to the remarks made by the hon. member for Winnipeg South Centre. It is that the Deputy Speaker who was presiding over the deliberations last night has already ruled on this question. I have before me the French report, which reads as follows:

[*Translation*]

I cannot see the good it will do to keep up this debate any longer.

[*Text*]

Now, "sous cet aspect" was referring precisely to whether there had been a breach of the rules by the hon. member for Joliette-L'Assomption-Montcalm. The Deputy Speaker went on to say that each hon. member had to accept the word of another, and that was the end of it. So that the matter, having already been ruled upon, becomes chose jugée, or *res judicata*, and I think that is another reason why the minister's question of privilege is not receivable at this time.

Mr. Fisher: Carried.

Mr. Speaker: Order, please. If I may say so, this question is not without a certain amount of difficulty, for the Chair at least. I have to decide whether this is the proper time to raise a question of privilege and I should like to make reference to two authorities; first of all to our standing orders of the house, wherein we find that standing order 17 says:

Whenever any matter of privilege arises, it shall be taken into consideration immediately.

Then I refer to Beauchesne's fourth edition, citation 104, paragraph 5, which is probably well known by this time. It says:

As a motion taken at the time for matters of privilege is thereby given precedence over the prearranged program of public business, the Speaker requires to be satisfied, both that there is a prima facie case that a breach of privilege has been committed, and also that the matter is being raised at the earliest opportunity. If he is not so satisfied he may allow the member to make a statement with a view to ascertaining whether or not a prima facie case can be made out.

It was obvious this morning that, not having been in the chair at the time the vote was taken, I had to listen to at least a short explanation from the Minister of Justice. On the other hand, I understand the matter was debated fully yesterday, a vote was taken by the house and the matter was disposed of. The minister, I am informed this morning, was in the house last night and did have the opportunity to raise a question of privilege immediately, but did not do so.

I regret very much being obliged to come to the conclusion that the motion should not be made or received at this time. In view of standing order 17 and the fact that the matter was discussed fully yesterday and a vote was taken, I must say that in my opinion there is no question of privilege.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, on a point of order, and not on the question of privilege raised by the Minister of Justice. On several occasions since the session started, there have been questions of privilege put by hon. members on the government side, as well as from the Conservative and New Democratic parties. They had

the opportunity of voicing their opinions on those questions of privilege. The question I am raising today is to the effect that we, in this corner of the house, have tried to air our views, and that it seemed as if a barrier had been erected at a certain spot up to which opinions were considered, while this consideration did not reach down to our benches.

I wanted to submit this question because it has happened repeatedly since the session started.

Mr. Jean Chrétien (St. Maurice-Laflèche): Mr. Speaker, on a question of privilege.

Yesterday afternoon, between five and six o'clock, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) raised a question during the discussion, implying that the Liberal members had an opportunity to look at the location maps during their caucus.

I submit to Your Honour—

[*Text*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I was absent when the hon. member made his statements.

[*Text*]

Mr. Speaker: Order. This is the same point. In my opinion the hon. member has no question of privilege.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I was absent when the hon. member made his statements—

[*Text*]

Mr. Speaker: Order, please. The Chair has ruled against the hon. member.

BUSINESS OF THE HOUSE

MEASURES TO BE CONSIDERED BEFORE SUMMER RECESS

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I indicated the other day to hon. members that today I would be in a position to make a statement about government business. In this statement I intend to indicate, Mr. Speaker, what items of business the government hopes to get completed before the house can give consideration to the possibility of a summer recess. The list I have to give is somewhat long, but I hope we can make progress with these measures in the house in a way which would enable us to have a summer vacation somewhat longer than the present week end.

First there is consideration to be given to the estimates. It is certainly not reasonable to try to finish consideration of the estimates before any summer recess, but it would be very undesirable, of course, to have a number of departments waiting until the autumn when half the financial year would have been completed. Motions to go into supply will be made as is appropriate for bringing forward the estimates, and I expect that this will mean one more such motion before summer. Interim supply will, of course, be asked for in the ordinary way. Also in the financial field the government gives high priority to the amendments to the Income Tax Act implementing the budget proposals.

I am hopeful, indeed I expect, that we will soon be able to introduce a motion for an address to the Queen for an amendment to section 94A of the British North America Act in order to provide for supplementary benefits to widows and orphans in our pensions legislation. Legislation itself cannot be introduced until this constitutional amendment has been made. We also hope that it will be possible to take the preliminary stages of the legislation—that is the pension legislation—before summer so the bill will then be available for public discussion and for the special committee which will be set up.

We hope that amendment of the National Defence Act will be completed in this house after consideration by the committee. The bill on the law of the sea dealing with the 12 mile fishing limit is another with which we should like to make early progress; also, of course, the bank charter extension act. Then there is the legislation on the extension of family allowances and on the revisions of the federal-provincial fiscal arrangements which have already been announced. One of the early measures to be proceeded with will be the amendments to the National Housing Act which have been on the order paper now for some time. The resolution relating to the Columbia river treaty is one that it is essential to decide on before the autumn.

Next, Mr. Speaker, I would refer to a group of measures relating to agriculture. The resolution on increasing the volume of farm credit is on the order paper. We also wish to bring forward legislation on farm improvement loans; we want to establish the department of forestry and rural development, and to improve federal provisions regarding crop insurance.

The resolution in my name relating to periodical publications is another important measure that we hope to proceed with as soon as possible. Legislation relating to retirement from the Senate is waiting. And I must remind hon. members that this house

is in a real sense in default of its duties if we fail to set in motion the redistribution that is now long overdue, in accordance with the census which is now three years old. The government will return to this legislation, it is hoped, as soon as ever we have any reason to hope that in doing so we will not delay for a long time other important legislation.

Other measures which we regard as of priority importance are the legislation for a minimum wage and other labour standards; the legislation to provide student loans, and the amendment of the Railway Act. This last Railway Act amendment is too complex a measure for us to expect to complete it before the autumn, but we would at least hope to have it, like the pension bill, ready for the committee stage before then. We also hope to proceed with two other railway matters; the C.N.R. financing bill, which is an annual one, and a measure on the capitalization of the C.N.R.

Three measures already on the order paper are the extension of export credits, important to our expanding trade; the amendment of the Post Office Act; and the amendment of the Merchant Seamen Compensation Act. the government is also anxious to proceed with the amendment of the citizenship act to ensure equality of status for all citizens. In the field of administration we attach great importance to the reconstitution of the treasury board as a separate department of government with more broadly defined and modernized functions.

In addition we have waiting several more routine but important measures. We wish to ratify I.L.O. convention No. 111 dealing with discrimination in employment, and the Geneva convention of 1949 for the protection of war victims. Then there is legislation to establish the Roosevelt-Campobello international park; the harbour commissions legislation; amendments to the Companies Act; the revised statutes bill; revision of the Interpretation Act; the Quebec bridge bill; and the Canada Shipping Act.

Mr. Speaker, this pre-summer list is not necessarily in the order in which the legislation in question will be introduced into parliament. The business for as many days ahead as is possible will be announced at the end of each day in the customary way and will be determined in the ordinary way by circumstances. But this list does give a priority importance to the present legislative program and an indication generally of the way in which the government would like to proceed and the progress we hope to make before summer. Any later proposals to the house for a summer recess will be made, naturally, in the light of that progress which we are able to make. We have to act, of course, with a certain degree of flexibility according to changing circumstances, and the most important of these circumstances that we cannot altogether foresee is the rate at which debate in the house will proceed.

There is one other observation, Mr. Speaker, I should like to make. Circumstances or developments may make it necessary or desirable to add to the list I have given, and the additions may require priority over existing items either now on the order paper or on the list I have given.

I think, Mr. Speaker, that what I just said will give the house a pretty definite idea of the work before it. I know we are all anxious to get ahead with that work as quickly and as effectively as possible. The government pledges its co-operation with opposition parties to that end, and I am confident that, subject always to their duty and obligation as an opposition, those parties will give the same co-operation.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with the concluding paragraph of the statement read by the Prime Minister the opposition is, of course, in full agreement. The discharge of its responsibilities will be a consideration always before it, while desiring at all times to expedite the business of the house.

The list that has been given by the Prime Minister is of such a length—I have said this before and I repeat—that it would give parliament an idea of the meaning of eternity. Indeed, as I look over the order paper I find that after 64 days all that the government has on the order paper are the following items, and I think they should be referred to: the electoral boundaries commission measure, which has been before the house for some time; the bill to amend the Income Tax Act, which is also in the same position, of course; the bill respecting the Revised Statutes of Canada, which I am sure will not take much time at all; the measure concerning a comprehensive program of old age pensions which will not come before us, of course, until after the amendment to the constitution. This measure involves not only the original plan but twice revised versions. The government has not been able to make up its mind on that matter until very recently. The harbour commission bill is not a matter that will take much time. Then

there is the resolution regarding the Merchant Seamen Compensation Act and another resolution concerning the Aeronautics Act. As I recall there was no reference to them, although the Prime Minister may have said that all matters on the order paper will receive attention. Then there is the resolution to set up a joint committee on the pension plan. There are also amendments to the Bank Act and amendments to the National Housing Act, which are of great importance, of course. There is also a measure respecting the postal rates on periodicals. It has been before the house and strong feelings have been expressed by various members. Then there is a measure to amend the Export Credits Insurance Act. This matter will receive immediate support from the house generally in that it simply represents an expansion of the policies which we introduced. The extension and expansion of the Farm Credit Act is another matter that I am sure will not take long. Finally there is the very large and important matter involving recommendations of the royal commission on transportation.

I mention these matters because when you look at the order paper you see that there is very little on it. Before the government can expect parliament to act it has to make up its own mind, and it has not been able to do so in regard to several questions. There is one, for instance, about which I am not going to say more at the moment. However, the press today contains information, apparently leaked, regarding the flag question. According to the press this matter is going to receive the attention of parliament before the 1st of July. This is a matter of significance, and it is timely for me to mention it today because the press contains lengthy statements in this regard.

All of us are desirous of doing everything we can to expedite the business of the house, and we have done so by agreeing in the last few days to a reduction by one in the number of supply motions. That is a very material concession for us to make. We are most desirous of getting ahead, but the government must first get things on the order paper before they can be considered by parliament. That should be made clear and definite, and I want to emphasize that at this time.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the Prime Minister has outlined a very formidable list of legislation. As a matter of fact I think more legislation was announced this morning than was contained in the speech from the throne. But if this is legislation which must be dealt with by the summer recess, then I think members of the house must tackle this problem. I think all of us in the opposition have a responsibility, and the government also has a responsibility. One of the ways in which the government can discharge its responsibility is to get some of this legislation on the order paper so that members will have an opportunity to study it. We have had no opportunity to see or examine most of the legislation announced by the Prime Minister this morning, and it seems to me it would expedite the work of the house a good deal if legislation were placed on the order paper at a much earlier time.

I suggest that some thought should be given by the house leaders of the various parties to the allocation of the time for the various items which are to come before us. If we are going to cover this very heavy agenda it can only be done adequately if there is some allocation of time in regard to the respective legislative matters. If some agreement could be reached to set a limit on debate at various stages I think this would help to expedite matters a great deal.

We in this party have been advocating for a long time that in view of the heavy agenda which parliament now has we should abolish the resolution stage altogether and allow legislation to come in by having a bill introduced. This would give members an opportunity to study the bill in plenty of time for a full debate on second reading and in committee of the whole. I hope the committee on procedure will give some thought to this and make a recommendation to the house soon in this regard. If we are going to get this amount of work done at this and succeeding sessions I think we are going to have to say goodbye to the slow process of having an additional debate on resolutions preceding the introduction of legislation.

The press has been speaking of legislation regarding a flag. The Prime Minister did not mention that this morning, but he did say there was other legislation which might take priority over what he had announced. It does not make it very easy to plan the work of the house if at any time other legislation which we have not even seen or heard about can be given a higher priority. While we in this party are interested in having a distinctive national flag for Canada, I want to say that we think it is much more important that we give to this country a sense of purpose and an economic climate over which

we will be proud to have a flag fly. Instead of the government using a great deal of energy worrying about a flag, we hope that first of all they will deal with some of the important items of legislation which have been announced by the Prime Minister rather than spending, as we undoubtedly would, a week or two debating a flag, which is something that can quite easily be postponed until later this session or to next session.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, the amount of legislation that has been outlined to us by the Prime Minister hardly justifies making a statement of any length at this time. However, I support some of the remarks that have just been made by the hon. member for Burnaby-Coquitlam with regard to bringing into play procedures which will speed up the business of the house. I trust that the special committee on procedure will take the amount of business before us as a very special reason for placing their suggestions before the house soon, and I hope we will all take the hint and give them the support they need to bring in such measures, at least on a trial basis.

Without in any way taking away from the importance of other measures, I would remind the Prime Minister that there are a few very basic and important items which he announced that must be taken care of in the immediate future. One of these is the extension of the bank charters. If we do not get the legislation passed by June 30, the banks of the country will close their doors on July 2. The Columbia river treaty likewise is something we must get through before the recess. There are the supply motions as well, and the importance of redistribution calls for early action. I would remind the Prime Minister also that there is another piece of legislation about which there has been a great deal of discussion and which has been on the order paper. I refer to the legislation regarding publications. The situation as it is developing can hardly continue and we must, therefore, face this thing clearly and act quickly.

So far as we are concerned in this party, we will give complete, constructive co-operation to the other groups in this house to work out the very best way of speeding up the work in the house. Certainly, whether or not we agree that all these things can be done before the summer recess, it does point out to us that there is a real job to be done, and the only way it will be done is to get down and do it.

[Mr. Douglas.]

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, we are quite happy, in this corner of the house, to see that the government introduces enough business for parliament to justify its role and pass the legislation which may be necessary for the welfare of the country.

It is quite clear that during the discussions on such legislation, there will not always be complete agreement. There will be discussions and that is the role of the opposition.

As far as we are concerned, we intend to be as constructive as possible in our criticism, to bring forward suggestions and solutions which could help to deal with Canadian problems if they were taken into serious consideration by the government.

As far as we are concerned, if that legislation has to be passed, we are prepared to extend the hours of sitting of the house and accept longer sittings in the morning and evening. We are ready to sit as long as is necessary, until July, August or September. But, one sure thing is that the Canadian people expect action from parliament.

Today, the right hon. Prime Minister (Mr. Pearson) gave us a list which may seem quite long and substantial. But I think the time has come to present the lists of legislation, to introduce the measures themselves so that they can be passed, especially if they deal with the welfare of the Canadian people.

Unfortunately, practically no legislation has been completed since the beginning of this session. There was, of course, a bill introduced by the hon. member for St. Maurice-Laflèche (Mr. Chrétien) to change the name of Trans-Canada Air Lines, and another short bill. We feel that, half the session being over, it is high time that the house should get down to business. If the hours of sittings are too short, let us lengthen them; if we have to sit by shifts, let us do that, but let us get on with our work.

We have been discussing the establishment of a pension plan but at the rate we are going it will never be passed. We are to consider legislative amendments concerning Central Mortgage and Housing Corporation and agriculture. We are supposed to set up a department of rural development—indeed we have been considering that for two years here—or a department of agriculture for eastern Canada, call it whatever you wish, it is the same thing.

Mr. Speaker, we feel that this has to be brought to a conclusion eventually and we are ready to work as long as necessary in co-operation with the other members of the house.

[*Text*]

[*Later:*]

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I should like to ask the Prime Minister a question concerning the list of work he gave us this morning. I wonder if the right hon. gentleman could give us another statement outlining what parliament will have to do after the summer recess.

Right Hon. L. B. Pearson (Prime Minister): Yes. There will be an equally long list of very important proposals, including the revision of the Bank Act.

EXTERNAL AFFAIRS

TABLING OF STATEMENT OF EXTERNAL AFFAIRS MINISTER TO NATO COUNCIL

Right Hon. L. B. Pearson (Prime Minister): I should like to table, as promised, the statement made by the Secretary of State for External Affairs to the NATO council at The Hague. This is the statement with only one or two small omissions. These omissions relate only to the foreign policy of other members and foreign personalities of the council. There are no omissions in the section concerning far eastern policy.

Mr. Diefenbaker: These were just interpolations while he was speaking?

Mr. Pearson: Yes.

[*Later:*]

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to address a question to the Prime Minister regarding a statement made by the Secretary of State for External Affairs at the NATO meeting, when he said:

> While we have no intention in Canada of doing anything which would add to the difficulties of our friends, the realities of the situation nevertheless may require some modification of our position following the 19th session of the United Nations.

I should like to ask the Prime Minister what modifications the government has in mind with reference to our relationship with mainland China.

Right Hon. L. B. Pearson (Prime Minister): I think I ought to permit the Secretary of State for External Affairs to interpret his own statement; he will be here on Tuesday. One thing he might have in mind when he talks about the realities of the situation is that there is the possibility, at least, of a vote favourable to the seating of mainland China at the United Nations irrespective of Canada's stand on that issue.

Mr. Douglas: I was aware of the realities of the situation. It was the phrase "some modification of our position" which interested me. I take this to mean a modification of Canada's position vis-à-vis mainland China. I assume the Prime Minister was consulted before this statement was made, and I wonder if he could indicate to us what modification in our policy there would be.

Mr. Pearson: If there was a vote, in favour of transferring a seat at the United Nations to the Peking government, then the Canadian government and other governments would have to make up their minds whether or not to recognize the consequences of that change.

BRITISH NORTH AMERICA ACT

PROVISION FOR RECOGNITION AS CONSTITUTION OF CANADA

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. C-97, to provide for the British North America Act to be known also as the constitution of Canada.

Some hon. Members: Explain.

Mr. Knowles: The purpose of this bill, Mr. Speaker, is to make it legal, so far as parliament can provide, to call our constitution either the constitution of Canada or the British North America Act. It does this by providing that in the parliament of Canada or in any of our courts, our constitution may be referred to as the constitution of Canada. This would facilitate the widest possible use of this more appropriate title pending the day when the constitution of Canada might be our own document in every sense.

If the house and the government would like to facilitate early enactment of this bill so that the pending amendment regarding certain aspects of the Canada pension plan might be an amendment to the constitution of Canada, I would be quite willing for this to be done.

Motion agreed to and bill read the first time.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. T. S. Barnett (Comox-Alberni): I ask leave, seconded by the hon. member for Vancouver-Kingsway, to move the adjournment of the house under standing order 26

for the purpose of discussing a definite matter of urgent public importance, namely the plight of the tidal wave disaster victims on Canada's west coast who now, more than six weeks after the event, still find themselves without any prospects of proper re-establishment in the light of the totally inadequate sum of $250,000 specified yesterday by the Prime Minister as the total federal contribution to the disaster fund, which has resulted in the disaster committee having to commence making payments in the amount of only 75 per cent of the net depreciated uninsured appraised loss, an amount which has no realistic relationship whatsoever to replacement and reconstruction costs.

I contend, Mr. Speaker, that the situation of these Canadian citizens has now become so insufferable that the parliament of Canada, through the voice of the members of this house, should have the immediate opportunity of making clear to the government that this is no time to boggle over the niceties of federal-provincial relationships and responsibilities, but that human need should be paramount and should be met immediately by a payment of the order of $1 million from the federal treasury to the duly constituted disaster fund committee for disbursement to those whose loss requires restitution.

In conclusion, Mr. Speaker, may I point out that the pitiful contribution already announced by the government is recognition of the public importance of this matter. I submit the urgency of debate stems from the fact that no other opportunity of debate in the early future is possible under the rules.

Mr. Speaker: I have to determine whether the business of the house should be set aside under standing order 26 to discuss a matter of national importance, sudden urgency or great need. May I refer the hon. member to Beauchesne, citation 100, subsection 8, about the middle of the paragraph, where it seems to me we find the governing words in respect of this matter. I quote:

> What I think was contemplated, was an occurrence of some sudden emergency, either in home or in foreign affairs.

In the circumstances, therefore, as this matter has been under discussion in the house, and since the government, I understand, has acted in relation thereto, the matter, although extremely important and of great—

Mr. T. C. Douglas (Burnaby-Coquitlam): Before Your Honour makes a ruling, may I just submit to Your Honour that the matter which the hon. member is seeking to raise is specifically the government's action yesterday in setting a sum which he feels is totally inadequate. There was no way to deal with that action until the action was taken. The action was only taken yesterday; therefore the hon. member had no opportunity to raise the matter.

If the government proceeds on the basis of that action it will be too late to raise it later on, so it seems to me this is the only opportunity that presents itself. It also seems to me it is urgent, because unless the matter is dealt with today the government will have proceeded along the line it indicated yesterday and this, to the hon. member and the rest of us, is completely inadequate.

Mr. Speaker: I thank the hon. member for giving me the benefit of his advice, which I appreciate. Nevertheless I must point out that the remarks of the hon. member for Burnaby-Coquitlam seem to be more in the nature of a grievance than in support of the argument of the hon. member for Comox-Alberni, and regretfully, perhaps, I must come to the conclusion that the general business of the house should not be set aside, under standing order 26, at this time to consider this proposed motion.

CANADIAN FLAG

REPORTED APPROVAL OF DESIGN BY GOVERNMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Prime Minister whether the information allegedly coming from his office which appeared in the *Globe and Mail* this morning, and over the C.B.C., that the government has decided on the abolition of the red ensign and the substitution of a flag with three maple leaves thereon, and blue borders to the right and left, is correct; and is this the decision of the government? I think parliament should know and have the fullest information in this regard.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government has taken no decision on this matter. The government is bound by the commitment which it has accepted, and which was made some years ago by the party which the government represents, to introduce into this house a design for a distinctive national flag within two years of April, 1963. No decision has been taken, Mr. Speaker, about the design or the time of the introduction of the resolution in question. I certainly would not wish to take any responsibility, either personally or on behalf of the government, for some of the designs that have

been appearing, or indeed for the drawing that appeared in the newspaper this morning.

Mr. Diefenbaker: I would ask the Prime Minister whether he does not agree that the changing of national symbols, which after all represent the emotions of the people, cannot be brought about unless there is reasonable unanimity in the country. Otherwise greater disunity than ever will take place in this nation.

Mr. Pearson: Mr. Speaker, I expect that the government, and I hope parliament, will take its responsibility in this matter as the elected representatives of the people. I hope that when that responsibility is discharged by the government, all members of parliament, including my right hon. friend, will take their responsibility in regard to it.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: May I ask the Prime Minister, does he take responsibility for this emblem that appears in the paper today and which has received widespread dissemination in our country; indeed, which finds itself on a postage stamp, with tremendous explanations about to be made by the Postmaster General that this represents the unity of Canada? Is this what the government has in mind or is it not?

Mr. Pearson: I have already told the right hon. gentleman only a moment ago that no decision has been made by the government as to what design will be submitted to parliament. When that decision is made it will be submitted to parliament. The members of parliament will have a chance to make their own decision and, as I have just said, I hope hon. gentlemen opposite will make that decision in a responsible way, as I am sure they will.

Mr. Diefenbaker: I express the hope that the government will take such action as its responsibilities demand, but will the Prime Minister answer this very definitely. Does this emblem with three maple leaves represent at the moment the viewpoint of the government, or does what we hear have no foundation, that this information came from his office?

Mr. Pearson: I have already answered that question twice, Mr. Speaker.

Mr. Diefenbaker: Oh, no.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question, may I ask the Prime Minister whether the reports are correct that the government intends to introduce legislation regarding a flag for Canada before July 1?

Mr. Pearson: Mr. Speaker, I have already said that no decision has been taken in regard to the timing of the introduction of any such legislation. We are bound by the commitment that it is to be done within two years of our taking office.

Mr. Diefenbaker: You made a lot of other commitments that you did not carry out.

[*Later:*]

Mr. Speaker: The hon. member for Middlesex West.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question in connection with the flag issue, but in view of the discussion which has taken place I think I will leave it until a later date.

REDISTRIBUTION

SHOWING OF NEW ELECTORAL MAPS TO LIBERAL MEMBERS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to direct a question to the Minister of Justice. Can he tell the house whether or not the Liberal members had an opportunity of looking at the new electoral maps during a Liberal caucus where they would have taken a decision themselves on this matter?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, this is absolutely false; a lie that was uttered when this was said.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I rise on a question of privilege—

[*Text*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, a supplementary question—

[*Text*]

Mr. Speaker: Order, please. Will the hon. member kindly take his seat. That question has been answered.

[*Translation*]

Mr. Grégoire: Mr. Speaker, on a question of privilege—

[*Text*]

Mr. Speaker: If it is on the same question, the question was illegal in the first place, and there is no supplementary.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise on a question of personal privilege. As members of the house we must make common cause with one another. A minister has laid a charge of falsehood against a member of the opposition. Therefore, I move, seconded by the hon. member for Roberval (Mr. Gauthier), that the whole matter be referred to the committee on privileges and elections.

[*Text*]

Mr. Speaker: I take it that the matter is now settled.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rose on a question of privilege—

[*Text*]

Mr. Speaker: Order. I will be very glad to rule on that question of privilege. There was no question of privilege; the hon. member misinterpreted the words of the Minister of Justice.

NEWFOUNDLAND

REPORTED INTENTION TO CHANGE NAME OF PROVINCE

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question on another subject for the Prime Minister. Has the government been consulted by the government of Newfoundland concerning its intention to change the name of that province to Newfoundland and Labrador? My question arises from a report that a bill to that effect was introduced into the Newfoundland legislature.

Mr. Cashin: That was asked yesterday. Wake up.

Mr. Speaker: I do not see the immediate urgency of this question. I am informed it was asked yesterday, but in any event would the hon. member put it on the order paper.

REPORTED DISPUTE WITH QUEBEC RESPECTING LABRADOR

On the orders of the day:

Mr. Heath Macquarrie (Queens): I should like to direct a question to the Prime Minister prompted by the pungent utterances of Premier Smallwood yesterday. Have the good offices of the right hon. gentleman been requested to conciliate in the unfortunate territorial controversy between the governments of Quebec and Newfoundland with respect to Labrador?

Right Hon. L. B. Pearson (Prime Minister): No. I am not aware of any dispute of that kind.

ADMINISTRATION OF JUSTICE

WEEK END VISITS TO HOMES BY PENITENTIARY INMATES

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Justice. Since we seem to be in the mood for a week end recess, if not for a summer recess, could I ask the Minister of Justice how far the plans, outlined twice recently by the commissioner of penitentiaries for week end visits home by prisoners to their families, have gone, and when will this be coming into effect.

Mr. Speaker: Would the hon. member put this on the order paper.

BUSINESS OF THE HOUSE

PROVISION OF FURTHER INTERIM SUPPLY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister or the Minister of Finance or the Minister of Justice when the next interim supply bill will be introduced, in view of the fact that government will soon be running out of money.

Hon. Guy Favreau (Minister of Justice): Some time next week, possibly Wednesday; but I will be more definite about this, possibly at the end of today's sitting.

LABOUR RELATIONS

GREAT LAKES—INQUIRY RESPECTING "DO NOT SHIP" LIST

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Perhaps I should have communicated with the Minister of Labour before asking him now if he is in a position to answer a question which was raised some weeks ago before the new rules came into effect, namely whether he has, since that question was asked, been able to ascertain whether a "do not ship" list is still in existence. I do not wish to say anything in this regard to add to the question which was asked, but the information I have is that

people are being denied employment on the basis of this list, and being denied it by Mr. McLaughlin.

Hon. A. J. MacEachen (Minister of Labour): When the matter was raised on an earlier occasion I was in touch with the chairman of the board of trustees, who assured me there was no such list in existence. He also gave me an assurance that every effort would be made to right any wrong which had been done to any seaman as a result of the operation of this list. As I recollect, the board of trustees proposed to re-examine the procedures which might be necessary in order to carry out the policy they had in mind. However, I will be glad to make further inquiries and bring the matter up to date.

Mr. Diefenbaker: I wonder if the minister when looking into this will examine the case of Jacques Savard?

Mr. MacEachen: I will bring the matter to the attention of the trustees.

SUPPLY

The house in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration including the national co-ordinating committee on agricultural services, contributions to commonwealth agricultural bureaux and a contribution to the agricultural economics research council in an amount equal to the contributions of the provinces but not exceeding $50,000, $3,368,900.

Mr. Hays: In the debate on my estimates on April 24, and again on May 7, the hon. member for Yukon made a serious accusation against me concerning a certain milk contract in the Edmonton area. I told the house several times that the hon. member's claims were entirely without foundation, but he persisted in pursuing this matter. I regret that I must now take up more time of the house on this subject, because I think our time would be much better used in a positive way.

I think it is pretty well known—if not on the other side of the house, at least on this side—that I have no interest whatsoever in political patronage. I agreed to run for parliament because I thought I might be able to make some contribution to my country. I am interested only in doing the best job I can for Canadian farmers. But unfortunately tactics like those of the hon. member for Yukon just cannot be ignored.

The hon. member has accused me of interfering with a contract which the Purity Dairy Company of Edmonton held for the supply of dairy products to the army station at Griesbach and through it, also, to the R.C.A.F. station at Namao. When one strips the statements of the hon. member for Yukon of his practised insinuations and innuendos, they amount to two accusations. One of these claims was that I had instructed that the contract be cut. The other claim was that Purity Dairy had been threatened that if the contract was not cut my department would make it hard for Purity. To be precise, the hon. member, as recorded at page 2570 of *Hansard*, said this:

> The information I have leads me to believe in the absence of a satisfactory explanation that the minister has personally interfered with the full term of a contract for the supply of milk and ice cream to an R.C.A.F. station.

The hon. member at first said an official of my department in Edmonton, a Mr. McKay, had gone to the manager of Purity, Mr. Jacob Trach and "inferred or said" he was acting under my direction or the direction of officials of my department and suggested that the six months' contract be cut in half. The hon. member went on to say, again as recorded on page 2570 of *Hansard*:

> In the conversation to which I have referred not only was the suggestion made to Mr. Trach that the contract be halved but he was informed that unless he was tractable in this regard some method would be found to have his product declared below the standard acceptable at the stations.

That is the end of the quotation. By May 7 the hon. member had taken the trouble at least to determine that the contract was with the Department of Defence Production and that Mr. McKay is an employee of that department and not of the Department of Agriculture. But the hon. member again persisted in accusing me of having tried to interfere in this contract. As reported on page 3019 of *Hansard* he said:

> We should hear from the Minister of Agriculture who is directly involved because if the information I have disclosed is true it indicates that the Minister of Agriculture directly interfered with Mr. McKay an employee of the Department of Defence Production and made threats, as I put it in the vernacular of the west, to put the manure fork into the cream can.

That is the end of the quotation.

First let me make two categorical statements. At no time did I or any member of my staff or my department make any request to any employee of the Minister of Defence Production or to any officer of Purity Dairy that the contract with Purity should be interfered with. Neither I nor any member of my staff or department suggested to any employee of the Minister of Defence Production, or to any officer or employee of

Purity Dairy, that if the contract with Purity was not cut the Department of Agriculture would make it difficult for that firm. Together with my colleague the Minister of Defence Production I have investigated these charges carefully to be completely sure that we had full information on this whole matter. We can find nothing to substantiate the insinuation that the dairy was threatened with some kind of revenge action. I deny it categorically.

Our investigations also confirmed that neither I nor my officials requested that the contract be interfered with. I have, however, since May 7 learned of a matter which I did not know on that date but for which I, as the minister, take full responsibility. This in no way changes any earlier statement, but I want to be sure the committee has all the facts before it. The only acquaintance my department had with this matter at all arose out of communications from Alberta on behalf of other diary interests in the area as to the basis for letting contracts of this kind and why the contract in question had been let to Purity. My office communicated with the Department of Defence Production asking for the information necessary to send an appropriate reply. These communications were requests for information and nothing more; the normal kind of inquiry which members of parliament are always receiving and replying to.

Mr. Diefenbaker: Mr. Chairman, will the minister tell us the dates of those communications, please?

Mr. Hays: I can give the dates later. The final reply from the Department of Defence Production concerning this matter was received by my office and the information contained in it passed on to Alberta by my office after April 1. By this time, of course, the contract had already run its full course from October 1, 1963 through March 31, 1964. There was absolutely no suggestion in any communications from my office that the contract should be interfered with; and indeed it should surely be obvious to everyone by now, even the hon. member for Yukon, that the contract was not interfered with in any way. It must also be obvious, therefore, to any responsible person that there could have been, and in fact were, no threats about anything.

Now, Mr. Chairman, what do all these innuendos and insinuations of interference and threats by me or my officials, presumably initiated from Purity Dairy and taken as fact by the hon. member for Yukon, finally boil down to anyway? They boil down to nothing more than a simple inquiry from Alberta to my office and a follow-up by my office in the normal way to provide the factual information for a reply. It seems to me that in view of all this any fair minded, responsible person would admit that the information of the hon. member was incorrect.

Mr. Chairman, if the committee would agree I should hope they would listen to the Minister of Defence Production, who would clear up the other half of this matter by giving a statement at this time.

Mr. Diefenbaker: Mr. Chairman, so that the record will be complete, would the minister give the dates for which I asked, and also table the correspondence to which he made reference? I refer to correspondence from these various dairies regarding the Purity Dairy contract.

Mr. Hays: Mr. Chairman, I quoted from no correspondence. I said we had received an inquiry from Alberta in connection with these contracts. It seems to me it would serve no useful purpose to table that correspondence. The rest of the correspondence would be interdepartmental, which I understand is never tabled.

Mr. Diefenbaker: Does the minister say now that this was interdepartmental correspondence? A while ago he said it was correspondence received from complaining dairies in Alberta. I understood him to say it was from other competing dairies. Having referred to that correspondence, I am sure it would serve a useful purpose if it were tabled; and whether it would serve a useful purpose is not for the minister to judge. I would ask him to give us the dates of the correspondence, and I again request that he table it. I do not ask that he table the interdepartmental correspondence, but correspondence from complaining dairies.

Mr. Hays: I can see no reason for tabling the particular correspondence to which the right hon. gentleman refers. Most of the inquiries, I understand—not necessarily in connection with this matter—are made on the telephone, and that sort of thing. I do not know whether there is very much correspondence as far as this matter is concerned.

Mr. Diefenbaker: I will be satisfied, Mr. Chairman, as long as the minister will say that he will table any correspondence there is on this question.

Mr. Hays: We will be glad to table any correspondence we have with private individuals.

Mr. Drury: Mr. Chairman, with the consent of the committee I should like to add a

few remarks to what has been said by the Minister of Agriculture, as the allegations made by the hon. member for Yukon were in fact directed against an employee of the public service in my department.

Late in September, 1963, a short time after the contract was awarded to Purity Dairy for the period October 1, 1963, to March 31, 1964, my Edmonton regional purchasing office received representations direct from the trade to the effect that the contract period should be reduced from six months to three months, thereby giving the dairies an opportunity to participate every 15 months rather than every 2½ years. This representation was made by a spokesman for a number of the Edmonton dairies. At approximately the same time similar representations were being made in Ottawa on behalf of the dairies, and on October 2, 1963, my regional branch head office asked Mr. McKay to provide a summary of the current milk situation in Edmonton.

As a result of these inquiries, and to be in line with the general policy now being followed in most areas of Canada, Mr. McKay was asked to discuss the matter with Purity Dairy and determine if they were agreeable to having the current contract, October 1, 1963 to March 31, 1964, reduced from six months to three months. Mr. McKay explained that as all the dairies in that area were now on the same basis, further contracts would be rotated every three months. Purity Dairy was not agreeable to this suggested cut-back, so the contract ran to completion on March 31, 1964.

On April 25 Mr. McKay became aware for the first time of the insinuations which had been made regarding this matter when he read in the Edmonton paper an account of the statements made in this committee on April 24 by the hon. member for Yukon. That statement implied that some threat had been made to Purity Dairy that their milk would be found unsatisfactory if they did not agree to terminate the contract.

On April 27, two days later, Mr. McKay called the army barracks at Griesbach to inquire whether they had made any complaint about Purity milk, this being the only source, in his opinion, from which such a complaint might have come. He was informed that no complaint had been made. He then called Mr. Trach at Purity Dairy to inquire the reason for the statement. Mr. Trach admitted that no threat or complaint had been made, but that he had assumed that if he did not agree to terminate his contract some such action would follow.

The reference in the press to a misunderstanding on the part of my Edmonton official is somewhat misleading. There was some confusion in the interpretation of the relationship between the provincial price control in the Edmonton area and the Edmonton municipal licensing control. Purity Dairy, when it first applied for listing in my Edmonton office, possessed a provincial licence for the Edmonton area but did not have a municipal licence to deliver milk within the city of Edmonton.

Now, Mr. Chairman, to deal more specifically with the allegations made before the committee by the hon. member for Yukon in the official report of the *House of Commons Debates* for May 7, 1964, the hon. member stated, as is reported at page 3017 of *Hansard*:

> —when Mr. Trach was requested to cut his contract, that is his contract to supply milk and ice cream to stations Namao and Griesbach, he was told there were certain elements and certain people who stated that if Trach did not agree to the contract being reduced from six months to three months—

Here the hon. member quoted the exact words that Mr. McKay was alleged to have used, and I quote them again as they appear in quotation marks in *Hansard*:

> "That the Department of Agriculture could make it very difficult for us".

I have gone into this extensively with the officials concerned, and particularly with Mr. McKay, and I can say that this statement is completely false.

Further along on the same page the hon. member went on to say:

> Mr. McKay, at this particular interview of which I spoke, the employee of the Minister of Defence Production, then referred to the federal Department of Agriculture at Ottawa and particularly to the minister, that is the Minister of Agriculture; and Mr. McKay stated that he had instructions that the minister, that is the Minister of Agriculture, wanted the contract cut.

I say again that this statement is false and without foundation.

Then again beginning at the bottom of page 3017 and carrying over to page 3018 the hon. member continued:

> Mr. Trach, I am informed, told Mr. McKay that in his opinion the Department of Agriculture could not break the contract nor could the Department of Defence Production, since it was in writing and properly executed. But Mr. Trach was then informed by Mr. McKay, according to my best information, that there was a group of lawyers in Ottawa looking into the validity of the contract.

Mr. McKay, during his telephone conversation with Mr. Trach, simply advised him that if he was not agreeable to shortening the contract period he, Mr. McKay, would have to refer the file to Ottawa as the question

of reducing or terminating a contract was actually a legal matter and was not within his area of purchasing jurisdiction. As I have already mentioned, this contract ran to its normal completion date of March 31, 1964 and it was not reduced or terminated; and as the hon. member first made reference to this contract on April 24 of this year, it is quite apparent that there was little substance to the fears which were apparently or allegedly expressed by Mr. Trach.

Then as reported at page 3018 the hon. member went on to quote a statement which Mr. McKay was alleged to have made to Mr. Trach, which reads as follows:

—"we can, in accordance with instructions from Ottawa, find something wrong with your product".

Mr. McKay did not make any such statement, and anyone who says he did is guilty of telling untruths.

Again at the same page the hon. member stated that Mr. McKay was alleged to have said the following words to Mr. Trach, and these words are in quotation marks in *Hansard*:

—"I do not like to bring this up in reference to having your products declared unfit, but it is my superiors and the Minister of Agriculture in Ottawa that I take my instructions from".

This likewise is not only false but patently false. Mr. Trach knows that Mr. McKay is an employee of the Department of Defence Production. Mr. McKay knows that he is responsible to the Minister of Defence Production, and he knows he is not responsible to, nor does he take instructions from, the Minister of Agriculture. I say again that this alleged statement is not only false, it is manifestly false.

On May 7, Mr. Chairman, I stated that I would be quite prepared to get an affidavit from the Department of Defence Production employee concerned. I now have that affidavit dated May 8, 1964 from Mr. McKay. One of the paragraphs in this sworn statement I will now quote. It is the concluding paragraph, which is as follows:

After seeing the report set out above I was in touch with Mr. Trach and referred to the said report and Mr. Trach, on the telephone, admitted to me that I had never made such a statement to him or in any other way threatened him and that the report arose from the fact he—

—that is referring to Trach—

—assumed that steps might be taken by the department to have the approval of his establishment rescinded.

That is the end of the quotation from the affidavit. The report to which he makes reference is the Canadian Press report appearing in the Edmonton *Journal* of April 25, 1964 of a statement made in the House of Commons.

At the time of the earlier discussion, Mr. Chairman, I asked the hon. member for Yukon, who I regret to say is not in the house today, to produce some kind of evidence to substantiate that Mr. McKay had made these statements. I now have the sworn statement of Mr. McKay that he made no such statement, and I challenge the hon. member for Yukon to produce an affidavit from Mr. Trach to the contrary effect. I regret that he has been unable to do this, and perhaps in the light of his inability to do so he will withdraw his remarks.

Mr. Hamilton: Mr. Chairman, in view of the statements by the Minister of Agriculture and by the Minister of Defence Production this morning, and in view of the absence of the hon. member for Yukon, I should like to make one or two requests. The first is that the Minister of Defence Production table in the house the affidavit of Mr. McKay. Second, I ask we hold this matter in abeyance until the hon. member for Yukon is back in his place in the house. I think the gravity of the situation can be measured by the fact that we have so many ministers in the house here today. I for one, as an ex-minister of the department, would hope that the Department of Agriculture keeps free from any type of action which this country has been trying to move away from for several years.

Some hon. Members: Oh, oh.

Mr. Hamilton: I would hope, Mr. Chairman, that I can speak for the whole house when I say to the Minister of Agriculture that we have a feeling that he has tried to resist any efforts to bring patronage into his department, but that we also have a feeling that there is great pressure being applied to him; and I do not know whether he will want to speak about this pressure.

I should like to mention one matter to illustrate the type of thing which concerns me, because I have been told about some of these activities in connection with Farm Credit Corporation lawyers; and it is very clear that the chairman of the Farm Credit Corporation has not advised this sort of thing.

Now I should like to ask the minister whether he received a letter from a Mr. Nichols from the town of Indian Head, Saskatchewan, dated April 22 last, dealing with a similar type of matter which has concerned his department. I think that to keep the matter clear on the record I should read the letter, and I simply want to know what the

minister has done about the letter, which was sent to him, a copy being forwarded to me. The letter is as follows:

Dear Sirs,

It has recently come to our notice that the Department of Agriculture, Ottawa, has called for tenders to supply a one ton truck to the experimental farm at this point.

We understand that some 12 to 14 dealer names were listed for tender, but only one dealer in Indian Head, namely Campbell Sales and Service, was given the opportunity to tender.

General Motors Sales manager phoned us today, asking why we were not required to submit a tender, and the only answer we could give was that Campbell, a practically new dealer here, was a very active supporter of the Liberal party.

We have been motor dealers in this town and district for the past 47 years. Our pay roll supports a staff of seven employees and their families, averaging 16 years continuous employment. We have not required any employee to claim unemployment insurance benefits by reason of lay off in the trend of our business, and this is the first time in our recollection that discrimination has been shown in the matter of who shall, or who shall not, be privileged to tender on purchases for the government farms at Indian Head.

Yours very truly,

Nichols Garage.
Per D. L. Nichols.

My request here, Mr. Chairman, is simple. We are very anxious in this committee to make certain that the Department of Agriculture is not used to dispense patronage. There is so much trouble in many areas of farm economy that this cannot be tolerated. I am sure the minister joins me in this opinion. I have heard enough to know that he has been resisting these pressures, and I want him to know that we are backing him in this resistance. This is a case which I am sure is very small, but it does indicate that in an area where villages are small and there are not enough people in and around them to do any more than barely to keep alive merchants, car dealers, and so on, under no circumstances can the politics of a particular company influence such transactions as I mentioned. I happen to know that with this particular company its politics are one way one election and another way the next. Therefore I suggest that great care be taken to see that in the rare cases when a truck or car is to go up for tender for an experimental farm in an area such as this, all the merchants in the town are given a chance to bid. Usually, of course, the lowest tenderer wins. But in view of the statement which the minister has just made I should like to ask him whether he has dealt with this letter which was sent to him on April 22 and how he has dealt with it.

Mr. Hays: Mr. Chairman, I have a faint recollection of this letter. I will look into the matter but if I recall correctly the statement is not exactly correct in that a number of people tendered on this particular truck and the lowest tender received the business.

To get back to the other question, I certainly believe that the government of Canada and all governments as a matter of fact would be better off if they did not deal with patronage. Nevertheless, we all know that this has been going on for years. I think the time has come when responsible people should realize that we are working for the people of Canada, that everything should be based on merit and that we just do not need to do these things to have good government.

I am a little surprised, however, that the hon. member would raise this question. When I became Minister of Agriculture I may have got off to a fairly slow start but I can tell the hon. member I am going to end up with a pretty good department, and the farmers will say the same thing. On the 10th day of June, 1957, the Progressive Conservative government was elected and on the 21st day of June they took office. I think the hon. member should know that my investigations have revealed that action was taken 35 days later which resulted in 72 lawyers from coast to coast in Canada receiving no more farm loan board work. I found the same situation through my department.

I have seen several personal and confidential letters, but I will not table them in the House of Commons because if I have to be a member of parliament under those circumstances I do not want to be here. I do not think this should be done. I can assure the hon. member that we are working for the Canadian farmer. This is one of the reasons why we called in all the branch managers of the Farm Credit Corporation and explained to them that we were going to cut 10 days off the time it takes to service loans, 48 to 38 days. I think we have to do this. I agree with the hon. member for Qu'Appelle that the sooner we get the business of government on this sort of basis the better it will be for everybody in Canada.

Mr. Hamilton: I should like to follow this point a little further. Did I understand the minister to say that when he took office he found there had been dismissals of lawyers doing farm loan board work? Is he not aware that there was a change from the farm loan board to the Farm Credit Corporation? If he is prepared to enlarge on this situation, is he not prepared to say what has taken place

since the government changed in 1963? I am going to ask him now to give us the names of all barristers who have worked for the Farm Credit Corporation, the date they were appointed and the names of those who are still doing this work.

I think the minister will find that the pressure I have been talking about, which I am sure the minister has resisted, has resulted in quite a number of changes. In my opinion the accusation should not be focused on the Minister of Agriculture but right on the department of the Minister of Justice from where the pressure has been coming. In my defence of the minister I do not want, as he does not want, to try to stop any move to improve the situation but I suggest to the minister that if he is going to go into the Farm Credit Corporation he had better open up the whole bag. If he does open up the whole bag the record will not be too good. I am talking about the time before an attempt was made to try to straighten out the situation. I am just saying that before the minister starts making these suggestions about the Farm Credit Corporation he should know what he is talking about.

With regard to the letter from Mr. Nichols, which was addressed both to him and to me, I am glad to table it. The minister says he has only the faintest recollection of the letter, but then he went on to say something was done about it. I want to know what was done about it and whether the truth is that he has no recollection or that he did do something about it.

Mr. Hays: I am quite familiar with the situation regarding the farm loan board and the Farm Credit Corporation. The farm loan board was replaced in part by the Farm Credit Corporation and the 72 people to whom I have referred were employed to service the farm loan board from coast to coast. I am referring to the whole bundle, all of them.

With regard to the second question, as to lawyers that are working for the Farm Credit Corporation I would point out that information giving their names, addresses—everything—was tabled in the house about two weeks ago.

Mr. Muir (Lisgar): I wonder whether the minister would answer a question regarding the change from the farm loan board to the Farm Credit Corporation. I know that at that time the situation in Manitoba was that city lawyers were handling the business under the Farm Credit Act and changes were made so that lawyers in the rural areas would be used for the convenience of farmers who were borrowing money. This has worked out extremely well and I hope the minister will not change this policy.

Mr. Hays: I do not think we intend to. All I suggested was that these lawyers were all given notice that they were no longer required.

Mr. Rhéaume: Mr. Chairman, before we interrupt the sequence I would remind the committee that the Minister of Agriculture agreed to table certain correspondence he had received in connection with the suggestions made by the hon. member for Yukon and I am wondering whether the Minister of Industry would also do the same. He made reference to correspondence he had received directly from the trade and he certainly referred to and read from an affidavit. He was asked to do so by the hon. member for Qu'Appelle and we have not had an answer. Under the rules of the house is it not necessary for him to table this document which has now become a public document and from which he has quoted one paragraph?

Mr. Drury: Mr. Chairman, I challenged the hon. member for Yukon to produce an affidavit supporting the allegations he made and I said I would in turn produce an affidavit supporting my denials. I would be delighted to table the affidavit I have when the hon. member for Yukon produces his.

Some hon. Members: No.

Mr. Rhéaume: The Minister of Industry read from a document which he alleges is an affidavit supporting his position and I insist, and I think the committee has a right to insist, that the minister table it rather than saying that if the hon. member for Yukon will step outside they will settle the matter. He read a paragraph from an affidavit which he says he has and we want to see the whole document.

Mr. Drury: Mr. Chairman, while I recognize that the hon. member for Yukon cannot produce his affidavit I will be glad to table mine and end this discussion.

Mr. Ricard: Mr. Chairman, a few minutes ago the Minister of Agriculture said that he plans to try to keep patronage out of his department. I should like to ask him one question. If there is no patronage, why was Mr. Lucien Blanchette, who was on the advisory committee and who lives in La Présentation, county of St. Hyacinthe, replaced by a man by the name of Lamoureux from St. Denis Sur Richelieu? I cannot give you

the first name. For what reason was he replaced, and who recommended Mr. Lamoureux for such a position?

Mr. Hays: I cannot reply at the moment, but I will have an answer for the hon. member in a few minutes.

In reply to the hon. member for Qu'Appelle, may I say that we will get a copy of the instructions that went out. These instructions, of course, went out to all people of our department. So far as I am concerned, they were to the effect that all automobile dealers were to be asked to tender for vehicles. This is the information I have at the moment, but I will probably have a copy of the instructions within the next few minutes.

Mr. Cardiff: May I ask the minister to tell me how many lawyers for the Farm Credit Corporation in the county of Huron have been changed since his government took office?

Mr. Hays: I cannot give the exact number, but I will be glad to look it up. I believe this information was given to the house a few weeks ago when the names of all lawyers right across Canada were tabled.

[*Translation*]

Mr. Choquette: Mr. Chairman, to continue the remarks I started last week when we were considering the estimates of the Department of Agriculture, I am pleased to point out that the riding of Lotbinière I have the honour to represent is basically agricultural and typically rural. I am proud to take this opportunity to speak on behalf of the farmers of my riding.

The federal riding of Lotbinière includes the provincial county of the same name and several parishes of the provincial riding of Nicolet which are well known to my hon. friend for Nicolet-Yamaska (Mr. Vincent). By its essentially rural and agricultural character, the district of Lobinière-Nicolet-Yamaska is a typical area of the province of Quebec. Mr. Chairman, certain parishes of my riding are very prosperous but others are faced with very serious economic difficulties. For instance, out of a total number of 2,571 farms, 1,869 are economical and 702 are marginal.

According to the definition given at the time of the 1961 census, an economical farm is one which provides an income of at least $1,200.

Mr. Chairman, there are 1,869 economical farms in the county of Lotbinière and 1,100 of them bring a gross income of less than $2,500. That is indicative of the alarming situation of farmers in Quebec, and in Lotbinière in particular, because, as everybody knows, $2,500 or less is a very small gross income indeed, considering the heavy responsibilities of farmers.

Farm mechanization and farm maintenance entail quite heavy expenditures. In addition, farm credit charges and all other charges farmers must meet require a much higher income than what they are receiving now.

That is why, Mr. Chairman, I think that, as I pointed out earlier, it would be better if, instead of accusing our hon. friends opposite, the Conservatives, of having shown negligence, incompetence and inertia, while they in turn examine the statistical data of 1963-64, to compare them with figures of the previous years, and then tell us that the present government has also shown itself to be negligent in the performance of its duties, it would be better if, with one accord, in harmony, we were to consider objectively the farm problems in the province of Quebec, because it is becoming more and more crucial.

Mr. Chairman, during the past several years, thousands of farms have been abandoned. I think that, from 1931 to 1961, more than three million acres of land have been abandoned. The rural population has been reduced by many thousands, which explains the certain lack of interest we have now towards agriculture. Today more than ever, it is important to restore farm land and agriculture, because our young people especially seem no longer interested in those areas and farming can no longer attract them at all. And that is precisely because of the very low income the farmers are receiving.

It seems obvious, Mr. Chairman, that the present government could model itself on the pattern of the provincial government of Quebec, which has appointed a committee, a member of which is the deputy minister of agriculture, Mr. Chagnon, who is well known for his ability and experience, to study the marketing of farm products.

Mr. Chairman, that committee applied itself to inventory the total farm resources of the province of Quebec and to determine to what extent they could be marketed, because the problem facing Quebec agriculture is one of productivity and marketing.

It is known that the province of Quebec is unable to produce enough pork, beef, lamb, potatoes or tomatoes to meet the needs of its own consumers. Therefore, if our farmers were given a better leadership, if they had an appropriate stimulant resulting from a dynamic policy, they could increase

their production so as to meet the requirements of the Quebec market, because, as I said, in several fields, production is not up to consumption within the province of Quebec.

Some thought should be given to eastern agriculture in particular because since western farmers are favoured by bumper wheat crops and enjoy many more advantages due to their fertile lands, eastern farmers often find themselves in an inferior position.

Mr. Chairman, without any intention of flattering the government, I must point out that the present administration has taken a very wise step in favour of eastern farmers by appointing a minister of rural development under a measure that will, I hope, soon be passed by the house, in order to create officially the office of minister of rural development. I believe that our achievements have exceeded our promise in that regard. As a matter of fact, we had promised during the 1963 election campaign to appoint an associate minister of agriculture. But what could an associate minister have done more than the associate deputy minister of agriculture?

We, the members from Quebec, asked the Prime Minister during a caucus to give us two ministers of agriculture. We wanted more than what we had promised in our electoral platform, and I think that the fact of having appointed a French speaking minister of rural development who, even if he is not minister of agriculture for eastern Canada, will be in a position to deal more closely with problems of agriculture in eastern Canada, because rural development is precisely the primary problem in Quebec, a great step forward.

Mr. Chairman, I feel that ARDA should be put into operation in Lotbinière constituency and be successful. I intend to see to it that the farmers of my riding may take advantage of ARDA.

I referred a while ago to the number of farms in the constituency of Lotbinière and I said that some were economical while others were marginal. There is in Lotbinière some thriving parishes such as St. Edouard, St. Pierre les Becquets—with which the hon. member for Nicolet-Yamaska (Mr. Vincent) is well acquainted—and St. Antoine.

On the other hand, we have other parishes where lands, without being completely uncultivated, are poor. At Val Alain, Joly and St. François, it would be possible, through ARDA, to give a new direction to farming and help farmers who live in those parishes and whose income is clearly insufficient. I feel that if a well suited program were applied, under ARDA, those parishes could enjoy greater prosperity.

Mr. Chairman, we could also use another method to restore the economy of rural regions; that method is part of our political platform.

We advocated the industrialization of those rural regions and there cannot be a better time for me to urge the Minister of Industry (Mr. Drury) to make all necessary efforts so that an industry may be established in St. Sylvestre, where the radar station will be closed. That would be in perfect agreement with the electoral program we put forward.

St. Sylvestre is another rural area and if an industry could settle there, it would make up for the losses resulting from the future closing down of the radar station that had brought a measure of economic activity to the region.

Mr. Chairman, agriculture in Quebec is affected by another very important matter, that of the exorbitant prices of feed grain and mixtures. There again, the new minister of rural development will be able to make his influence felt and show his efficiency in view of the fact that the storage of feed grain will come under his jurisdiction. And everyone knows that the problem of feed grain is closely linked to that of agriculture in Quebec.

The Quebec farmers want to pay the same price as the western farmers for feed mixtures and feed grains. Let the government pay the freight from Fort William up to the province of Quebec, so that our farmers can pay the same price as the western farmers for feed mixtures. That is legitimate.

But, Mr. Chairman, it would be necessary to hold an inquiry into the speculation which takes place. In fact, for a long time now, the Catholic farm union has been asking for a grain agency in eastern Canada. It also requests that speculation regarding the sale of feed mixtures and grains to Quebec farmers be restrained and that since a claim from the Catholic farm union comes within this problem, another problem affecting the eastern farmers, that is on every dollar of farm production, on a generalized and average basis, 58 cents only go into the farmer's pockets while 42 cents are going somewhere else, maybe in the pockets of the middlemen, speculators, in short of those who probably want to take advantage of the farm people. I am told that in the United States, the government is considering the setting up of an inquiry in order to study that striking spread between the farmers' income and the total cost of production.

As I said, the spread is 42 cents in the province of Quebec. The government should certainly look into the situation and carry out an investigation if necessary, to find out the reason for such a wide margin.

Mr. Chairman, the dairy industry is admittedly Quebec farmers' largest industry. Mr. Georges-Henri Vermette, president of the Quebec industrial dairymen's association, who is also the reeve of the county, lives in the riding of Lotbinière. Like the Vermette plant, the farmers of Lotbinière do business with the Coopérative de Granby, another institution that does us credit, since it processes as much as 33 per cent of all dairy products in Canada and produces approximately 40 million pounds of cheese, that is one third of Canada's total production. As you can see, in the province of Quebec the dairy industry is really the corner stone of agriculture.

Mr. Chairman, I am informed that Mr. Vermette, president of the Quebec industrial dairymen's association, submitted a request to the Department of Agriculture. I would like to take this opportunity to support his request as strongly as I can.

In view of the fact that the dairy industry accounts for half of the farm income in the province of Quebec, I feel that Mr. Vermette was justified in requesting the Department of Agriculture to increase the number of bilingual employees in its dairy products division. I am making this representation without any paltriness, pettiness or narrow-mindedness. The director of the dairy products division is not bilingual and I make it my duty to strongly request the minister to appoint a bilingual assistant director of the dairy products division. I submit this request in view of the fact that the dairy industry plays a major role in the province of Quebec and, consequently, for farmers of that province.

Mr. Chairman, I pointed out earlier that the gross annual income of a large number of farms in Lotbinière is under $2,500. In fact, 60 per cent of the farms in the province of Quebec have a net annual income which is lower than $2,500. Consequently, the restoration and reorientation of agriculture is imperative, and in order to permit the farmers of our province to have direct relations with the authorities of the Department of Agriculture we must intensify our drive for bilingualism so that the farmers of the province of Quebec may be understood and feel at home when they have to consult with the authorities of the Department of Agriculture.

I would not like to extend my remarks unduly. I just wanted to submit those few problems which closely affect the people I am representing here.

Mr. Chairman, a rather critical situation prevails in the province of Quebec; it is, somehow, an ideological storm in which our people are struggling. Yesterday, I heard the hon. member for Port Arthur (Mr. Fisher) ask the Prime Minister (Mr. Pearson) a question in which he expounded in thunderous words the somewhat dramatic situation of which we are well aware.

Indeed, several people in this country are trying to give to the policy of this country a trend which is not acceptable to us. The advocates of an ideology which would tear up Canada might, one day, resort to the same strategy as a man like Castro who also upheld agrarian reform?

Mr. Gauthier: Mr. Chairman, on a point of order. The hon. member for Lotbinière (Mr. Choquette) is hardly dealing with agriculture.

Mr. Choquette: Mr. Chairman, I am dealing with agriculture when I say that it is vital to restore our farming industry and that there have been people like—

Mr. Habel: Castro nationalized all the farms.

Mr. Choquette: The people of the province of Quebec, and more particularly our rural population, are stable and do not want tremendous revolutions. But who knows, perhaps, some day a dictator not unlike Castro, by means of a farm policy similar to his, might advocate an agrarian reform due to the fact that our farming industry is, at present, in a sorry state. It might happen, Mr. Chairman. A dictator, a rabble-rouser could raise prejudices and tell the farmers who are poverty stricken: We are going to bring you land reform measures.

That is what we want to avoid. But, if agriculture is continually losing ground in Quebec, if our farmers are constantly complaining that their revenues are insufficient, we must anticipate that at that time, rabble-rousers like the ones across the floor of this house, will stir up people's passions and will attempt to tear the country apart when we are trying to unite it.

Mr. Ricard: We will talk to Mr. Lesage about it.

Mr. Gauthier: Mr. Chairman, it gives me pleasure to rise immediately after the hon. member for Lotbinière (Mr. Choquette). He was beginning to flare up, but he always came back to the same old rabble-rousing

tactics, a charge which he frequently levels at other people. In any case, I do not wish to go along with that kind of jesting and I shall discuss more serious matters concerning agriculture because there are too many serious problems in that field. When you know farming and when you are a farmer's son, I can assure you that it is very amusing listening to a small town lawyer discuss that matter.

When I take a look at the amount of $140,124,800 that the house will have to vote for the Department of Agriculture, it is quite natural for me, as a member from the province of Quebec, to wonder what part of that amount will go to my province, in comparison with the others.

Being the second largest province in confederation, Quebec will be called upon to pay its large share of the taxes required for the administration of that budget. Will it share proportionately in the few advantages that this budget, if it is well administered, could bring to the various provinces?

Mr. Choquette: Mr. Chairman, on a point of order. The hon. member for Roberval is reading his speech verbatim. I am amazed to see a man such as he who pretends to know farming so well, being unable to make a speech without reading it, while a lawyer who is not supposed to know agriculture can make his observations without having to read them.

I ask that the hon. member for Roberval be called upon to order and stop reading a speech written by someone else. He should simply consult his notes as he proceeds, as I did myself.

Mr. Gauthier: Mr. Chairman, I shall accept any abuse from this little braggart; but when the member for Lotbinière says I had my speech written by somebody else, I shall ask him to retract his words.

Mr. Choquette: I am ready to withdraw my words, Mr. Chairman, if the member for Roberval will stop reading his speech, so as to prove to us that it is really his own text he is reciting and not somebody else's.

Mr. Gauthier: Let the member for Lotbinière come and see my notes, Mr. Chairman, and he will find they are in my own handwriting. He himself refers to notes. I have here all necessary books to support my remarks. I have always spoken with notes. Everybody here, and even yourself, Mr. Chairman, speaks from notes. The remark made by the member for Lotbinière is only intended to pull down the members of the house and increase his own stature. It is not by trying to crush others that a man proves his greatness. It is through his own intellectual qualities that a man shows what he is worth. Now, I see that the hon. member for Lotbinière is lacking in this respect.

[*Text*]

The Deputy Chairman: Order. I am sure the hon. member for Roberval is well aware that the rules of this house do not permit him to read a speech. But if he is using notes to remind him of the things he wants to say, I would think he is quite in order and I would invite him to continue with his remarks.

[*Translation*]

Mr. Gauthier: Thank you, Mr. Chairman, I shall now be able to continue my remarks on agriculture.

Will the distribution of various services and subsidies be fairer to the province of Quebec than it was in the previous years? Those are urgent questions that we must ask during the discussion on these estimates. If we look at the last 30 years, they were not a success for the province of Quebec. As a matter of fact, the only increase we find in the estimates of the Department of Agriculture is the one in respect to taxes.

That is why in the last 30 years the income of Quebec farmers has been dwindling, to reach its lowest level last year.

So, we will demand more concrete action on the part of this government in order to correct a situation which constitutes rank discrimination against Quebec farmers.

The Prime Minister (Mr. Pearson) stated, and rightly so, that Quebec should enjoy a status different from other provinces in the confederation. Now that should apply especially to Quebec's agriculture.

That is why we were dismayed when they confined to oblivion the setting up of a department of agriculture for the east, the only thing that might have given back to Quebec this status that the Prime Minister admitted it should have.

I can tell you that I am greatly disappointed with the general and vague steps taken by this government in the field of agriculture.

Far from keeping his word, and living up to his promises, the Prime Minister has been even more remiss in his duties, since he gave the administration of ARDA, established for the development of farm lands, to the Minister of Forestry (Mr. Sauvé).

The member for Lotbinière has spoken earlier about a department of rural development merged with the Department of Forestry. It is still expressed in general terms,

and does not indicate at all that any direct action will be taken for the province of Quebec.

What we need, is an organization strictly for Quebec; it does not matter whether we are given a department for eastern Canada, an associate minister or even a joint program for eastern Canada. What we need is an organization that will make a direct contribution to the economic and agricultural life of Quebec. That is why we expected in the past years the appointment of a minister of agriculture for eastern Canada.

Today the government seems to be playing upon words. But as far as we are concerned, the issue is very clear. We need an agency of our own. Let it be called a joint program. Besides, all other provinces do have specific joint programs for their particular fields. Thus, we would be satisfied with a joint program, although we are usually against such programs.

Instead of renovating Quebec farm lands, I think that the new legislation will help to renovate forests and to develop our rivers.

We had a magnificent instance of it when the ARDA legislation was discussed during the last few days, and we dealt with every waterway in Canada instead of the rehabilitation of the land.

Instead of going back to the farm or to the land, I have a feeling that, tomorrow, we will return to the bush. Anyway, as ARDA is no more part of the Department of Agriculture—but as I do not want to be out of order, I shall come back to that famous legislation when the estimates of the forestry department are introduced, as it is today the only way to get around to the land.

In spite of all these gropings on the part of the government in the field of agriculture, I shall try to salvage a few crumbs from that plentiful budget, for the benefit of my province, by calling the minister's attention to two main points.

The first one is the creation of joint specific schemes for the province of Quebec, as we hardly can hope to get rid of those policies, which always aimed at helping the provinces which were poor once, but are poor no longer.

Second I am asking the government to amend the Farm Credit Corporation Act, in order to adjust the federal loans to the economic structures of farming in Quebec, which is not at all similar to farming in the west, and consequently cannot be subjected to the same rules.

If we consider the joint programs of the last few years, we find that 80 per cent of that joint planning was meant for the western provinces.

More particularly in the last two years, we have been begging the successive governments to put an end to those famous schemes and give back taxation powers to the province of Quebec, so that it may revive its own farm economy.

The budget shows us that the federal government gives two kinds of grants to the provinces. First of all, by applying general programs to all provinces without distinction, second, by resorting to specific programs for each given province.

In the first case, we find that the programs are set up in very broad terms, and thus cannot efficiently apply to Quebec; and in the second case, with regard to specific schemes for particular provinces, almost every province has had its share, except Quebec, which was left out.

To convince yourselves, you should read carefully the 1962 report on these famous joint projects. I outlined the main aspects thereof in a recent speech to the house, and I then thought I had succeeded in opening the eyes of the present government, with a view to the preparation of its present estimates. To my great disappointment, nothing has yet been done, and nothing will be done this year, since the same errors appear again in the new estimates.

You have only to glance at the various items under vote No. 5 on research, amounting to $29,344,400. What will this vote bring to the province of Quebec? Taxes. As for vote No. 35, concerning fruits and vegetables, in the amount of $25,762,200, I am afraid the province of Quebec will not get the least advantage therefrom this year, in view of the dilatoriness of the provincial government in its projects for the construction of potato warehouses and cold storage.

Votes 55 and 60 prove what I said in my introductory remarks, namely that specific joint projects with some provinces or areas are the most fatal to us, and that nothing has changed in this respect.

Mr. Chairman, if we look at votes 55, 60 and 65, for which we are asked to allow an amount of $42,463,600, we can read for instance in vote No. 55:

Irrigation and water storage projects—Bow river irrigation project—St. Mary's irrigation project—South Saskatchewan river project—Buffalo Pound lake reservoir—

Those are ARDA projects.

Mr. Chairman, if you refer to page 37 of the estimates, you will see the following breakdown of the various grants.

Community pastures—$1,375,000.
Irrigation projects, southwestern Saskatchewan —$243,000.
Re-settlement and land use.

We could get something out of that also, but the amount indicated is nil.

Supply, equipment and service depot—$728,000.
Bow River irrigation project—$976,000.
St. Mary's irrigation project—$357,000.
South Saskatchewan river project—$1,274,000.
Buffalo Pound lake reservoir—$90,000.

That was only meant to give you an idea of what the province of Quebec gets since the implementation of those famous joint plans.

To supervise the good administration of this act, the department appointed what they call credit advisers, supervisors and all kinds of inspectors or assessors.

It seems to me that some do not do the job for which they get paid by the minister. According to the act, the credit advisor must try to find out the best solution, in order to enable a farmer to live better on his farm, to give the proper advice which will enable the farmers who own one, two or even three farms to stay on them.

I do not think it is the responsibility of the loan adviser to tell a farmer who owns a herd of 40 or 45 milkers or three lots of the best possible farm land, to sell his farm and move to the city.

I do not know whether some employees of the department act thus through lack of local knowledge, a wrong interpretation of the act or a partisan preconceived policy, but I was amazed by some decisions or some procedures taken by those employees of the corporation.

Therefore, I am asking the Minister of Agriculture to make a serious survey in the province, and especially in the riding of Roberval, in order to find out what is wrong, whether it is the personnel in charge of the administration of the act or the act itself.

For the time being, I will not accuse anybody in particular, but I would like the minister to personally look into this specific case and to make a survey in my constituency, with the help of people who have nothing to do with those who work there today. You are bound to admit that the main purpose of the corporation is to make loans so that more farmers will keep or buy lands on which they will be able to lead a decent and secure life.

For that purpose, your department appoints credit advisers to determine the possibility of granting loans to farmers who wish to modernize their equipment. Now, in my constituency—for I do not know what is going on in other ridings—it seems that the inspectors endeavour to find reasons not to loan money to farmers.

Do you want evidence? Out of almost 1,500 projects, barely 100 were accepted.

We pay a staff of four or five people or even more, to turn farmers down.

I wonder if the department watches the work closely enough. I shall say nothing of the touristic trips of some small appraisers, of some high officials and even of people from the Quebec office who go about their business accompanied by their wives. If a farmer does not own a modern house, he is denied a loan; again, some farmers have friends who wish to buy their neighbour's land to extend their farms and, consequently, advise those farmers, who have been established for 50 years to leave their land. I have to press, once more, for serious investigation to be made in my riding where you might discover some pretty sights.

To conclude, I wish to point out that the general work of the investigators does not help at all the development of agriculture as a whole.

They tell us: Yes, but it is better than in previous years when barely a hundred loans were made throughout the province. If you consider the increase in salaries paid today in that field, it makes you wonder if 1,500, 1,600 or even 2,000 farm loans in Quebec represent even a step forward, because in the small province of Saskatchewan only, more than 2,500 loans are granted each year.

Mr. Minister, some of your employees, when they are working, are satisfied with very little in the field of agricultural direction. And some even have the nerve to tell us, when some farmers, who are tired of waiting, complain to us: a member has no business here, he should stay in his office.

I feel that the first duty of a member of parliament is to make sure that the funds put at the disposal of each department are properly used. In other words, Mr. Chairman, I would be greatly remiss if I did not keep my eyes open in my riding.

It is also the responsibility of a member to look for any waste even on the part of the Department of Agriculture officials and to wage a relentless war on patronage both bureaucratic and political. No one can blame a member of parliament for doing that.

If the elected representative of the people does not have the right to seek justice for a farmer wronged by employees who are not

always true to their duty, who will do it, I wonder. Mr. Chairman, I have waited a long time, I have waited patiently for months, after having been myself in certain offices in my riding, but all to no avail. As a matter of fact, it is always the same type of protectionist gimmick. That is the reason why I ask that an inquiry be held as regards the Farm Credit Corporation.

If the legislation is wrong, if it is not suitable to the province of Quebec, the minister should amend it. If the men there are inefficient, let us dismiss them and replace them by more responsible ones.

[*Text*]

Mr. Fisher: Mr. Chairman, it is always a pleasure for me, coming from such an agricultural riding, to have the opportunity to make some remarks on these estimates. I have appreciated listening to the complaints about the state of agriculture in rural Quebec. In the last day or two I spent some time looking at taxation statistics, and the records as they are available for 1960 and 1961 do reveal a dreadfully low state in that, in this huge province of Quebec, with all its cultivators and farmers, the actual taxes they pay are much less than are paid in the small and rather sparsely covered province, in terms of population, of Manitoba. Certainly I would add my pleas and those of my colleagues to encourage the minister to do something about this situation.

I want to concentrate mostly on some remarks the minister made on May 7 last in reply to what I thought was a well documented presentation in the sense that I understand documentation. The information was obviously recognizable to me and I am sure it was true. It was to the effect that, engendered by the Liberal party organization and working through the hon. member for Rosedale, the attempt is being made to ensure that in the field of legal patronage all government departments and agencies are forced to meet the requirement that friends of the government be favoured to the exclusion of others.

I want to put it to the minister that in replying to these comments of the hon. member for Yukon he did not in my view really get to the nub of the matter other than to give a general assurance that he wanted to cut out patronage in his department. He referred to the quality of the service and went on to say, as found on page 3025 of *Hansard*:

> If the lawyers do not service them immediately and they have not got a real good excuse, then they are to be replaced. Everyone who has been appointed as a lawyer handling Farm Credit Corporation loans has been instructed to do the work quickly. These are my instructions, and it must be done on merit, regardless of politics. My instructions are that no matter what a lawyer's politics are, if he cannot cut the mustard and service these loans for the farmers, then he is to be replaced. This will continue to be our policy.

That is excellent. I would say the minister would get almost unanimous support for that statement, except perhaps from some of the Neanderthal or dinosaur areas of the country. But this statement does not say a thing about the original appointments or whether there is a list of the appointments. It does not say anything about the trend I have heard remarked upon, and I think I can see it in my own area, the tendency for legal work of government agencies—I am not shocked that it is handled on a partisan basis—to be assigned more and more into fewer hands and for there to be a concentration in the cities and larger towns rather than in the smaller places. The minister should tell us whether his instructions are that lawyers are to be hired on the spot on the basis of their known ability rather than their political affiiation. I should like to know whether that is the overriding consideration. Otherwise it seems we are just going to get, if the minister carries out what he says he intends to, a long competing succession of inefficient Liberal lawyers being replaced by other Liberal lawyers.

It has always seemed a travesty to me that the legal profession, which takes such tremendous pride in its accomplishments and what it can do, is in a sense the last bastion of patronage in this country and in a sense it provides the skeleton, if you will, for political parties.

Now, it seems to me that the tie that binds the lawyers to patronage is a very simple one. It is money. It is a gross material interest. I am not going to condemn them for that. However, they have a special position. One of the things that bothers me is that very often what prompts a lawyer to be partisan is that when the party gets into power he gets these sinecures, in a sense, cinch money for carrying out the little chores provided by government agencies.

One of the ironies I have always felt, and I know some of my colleagues who are lawyers are going to object, is that it seems to me it is usually the poorer lawyers of the community who feel it is necessary to get these sinecures, who become the party hacks and so, after an election when the party has been successful they get into that long line-up for judicial appointments and appointments to commissions of inquiry. The minister, in this particular area, sounded to me like a

real gust of fresh air. I am delighted that he has this attitude. I want to know a bit more about how he is going to set about doing it. I should like him to be a bit more candid about the difficulties he faces. I should like to know if he has the authority from the Prime Minister, and those people who stand around the Prime Minister as advisers, such as the head of the national Liberal organization, to go ahead so we can get rid of patronage in this department and proceed on the basis of talent and competition. This is what we would like to know.

I have heard repeatedly ministers of this government and the one before, and in my reading I have seen records of other government members, get up and give assurances they were going to start things new and clean. They were not going to go along with all these old traditions.

Mr. Benidickson: You have seen the Saskatchewan record.

Mr. Fisher: What about the Saskatchewan record? Are we talking about Saskatchewan?

Mr. Benidickson: You have seen the Lloyd record?

Mr. Fisher: I have just discovered that Ross Thatcher has a pal here. I did not think he had many over on that side of the house. It is a good thing to know he has one.

My point is that, in so far as government agencies that have legal work are concerned, it seems to me that this work should be allotted to lawyers on the basis of talent and competition, and that there should be a scrutiny for the purpose of being sure there is talent at work. This is the promise the minister gave us. However, just as he gave the promise, the hon. member for Yukon read into the record a communication indicating that there is an inherent policy on the part of the government—I do not say the official government but I am thinking of the Liberal party as the government—to ensure that there is complete domination by Liberal partisans of the legal work done for government agencies.

It seems to me the minister needs to tell us a bit more about where he stands in this case. I am sick and tired of the Liberal party taking the stance in this country that it is the party of administrative genius and purity, especially when we get this kind of evidence. I am willing to accept the fact that the minister is untainted by these practices. I want to know that he has the authority to do something about it. I was told by a Manitoba member that all the P.F.A.A. inspectors in Manitoba were replaced by Liberals after the election. As a matter of fact I have an informant in Manitoba who told me the same thing.

Mr. Hays: I can assure the hon. member, Mr. Chairman, that this is not true.

Mr. Fisher: That is not true; I am delighted to have the minister put that on the record.

Mr. Pigeon: Same old bunch.

Mr. Robichaud: The same with the information of the hon. member for Yukon.

Mr. Benidickson: Remember the Saskatchewan record.

Mr. Fisher: Mr. Chairman, if I could just rise above Ross Thatcher's buddy over there, I should like to say that the Minister of Fisheries interjected, "The same thing with the information of the hon. member for Yukon". I just want to say that the hon. member for Yukon indicated he possessed a letter and a record of some correspondence entered into by the parliamentary secretary to the Minister of Justice affecting these agencies that come under the minister. The minister never denied that this correspondence took place. He did not say that he did not know anything about it, as I recall.

We are not innocents here. I have not heard the hon. member for Rosedale issue any denial. The hon. member for Rosedale who, the Lord knows, uses his mouth well enough at other times, has not rushed in to tell us this is wrong, that he did not send those letters. We have to assume that these are the facts, and that he did. Knowing the hon. member for Rosedale, and despite that magnificent talent of his that seems to be recognized so much by the party, I cannot believe he did this on his own authority. I know a parliamentary secretary to the Minister of Justice is important, but I do not believe he is that important. Obviously, this was the result of some kind of instructions from someone higher up.

It would seem to me that this being the case, we have an instance where there is a policy on the part of the Liberal party, as the government, which is in contradiction to the position the minister has given. I say, more credit to him. I was very pleased when the hon. member for Qu'Appelle went out of his way to compliment the minister upon his new broom approach to things. I should like to ask the minister, despite in a sense the clarity and cleanliness he may bring to this position through not having a past history in

politics, how far he thinks he is going to get in really creating an efficient department and doing the things he wants to do, if the parliamentary secretary to the Minister of Justice is doing this kind of thing?

I have taken too long, Mr. Chairman, in elaborating this point but it is a worth while one and it has not been answered. I think the Minister of Agriculture might make a great name for himself in this nation just on this one point because, although I hate to try to speak in the name of the Canadian people, I am convinced they want to see an end to this petty, bootlicking, niggling patronage with which some of the parties try to go along and which seems to find a special attraction amongst the members of the legal profession who adhere like leeches to the Liberal party.

[*Translation*]

Mr. Robichaud: The Union Nationale.

Mr. Pigeon: Mr. Chairman, I rise on a question of privilege.

The Minister of Fisheries (Mr. Robichaud) is addressing remarks to the house from his seat. Now if there is anyone who is often guilty of breaches as regards the patronage he has been referring to, I think he is one.

Mr. Robichaud: Mr. Chairman, a while ago I saw the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) making signs like this, and I could not help thinking of the Union Nationale.

[*Text*]

Mr. Hays: In reply to the questions asked by the hon. member for Port Arthur, I may say that the only way in which these things can be answered and proven is through the passage of time. You can only be known by your deeds.

So far as the Pearson cabinet is concerned, I can assure the hon. member I never worked with a group of men so dedicated towards doing a good job for the Canadian people. I can only say that time will probably indicate whether we are doing some of the things that we suggested we would do, and some of those things are now in progress.

The hon. member for St. Hyacinthe-Bagot asked a question as to why we had changed one of the members of the Farm Credit Corporation advisory board. This board has ten members appointed on a rotational basis, some members holding office for one year, some for two and some for three years. The replacement we made was of Mr. Blanchette by Mr. Lamoureux, and we invited farm organizations to list a certain number of names of people who could serve on the corporation. This was suggested by the president of the U.C.C., and the appointment was made on that basis. I have not met the gentleman but I understand he is of outstanding ability.

May I point out to hon. members of the committee that this is the eighth day the estimates of the Department of Agriculture have been under discussion this session. This is the third day so far as the main estimates are concerned, and we spent five days dealing with the supplementary estimates. I know hon. members do not have to do this, but since we have so much on the order paper dealing with agriculture I wonder would they be agreeable to moving along so that we can go through the various votes of the department.

There is so much farm legislation on the order paper that there will be ample opportunity again to discuss farm problems. We have the Farm Credit Corporation amendments, the farm improvement loan amendments, crop insurance legislation and, in addition to this, within the next few days we hope to put the new farm machinery bill on the order paper. It seems to me this is the sort of legislation that hon. members will want to deal with fairly soon and with some dispatch, because it is important. It will be good for the farmers, and might I prevail on hon. members to help me get along with my estimates since we have already discussed agricultural estimates for eight days this session.

[*Translation*]

Mr. Vincent: Mr. Chairman, I should like to say a few words on the remarks just made by the Minister of Agriculture (Mr. Hays). First of all, he should not be allowed to leave the impression that this is the eighth day allocated to consideration of Department of Agriculture estimates since it is only the third day. True, we have examined supplementary estimates, but we had good reasons to do so under the circumstances since, as the Minister of Agriculture knows very well, that brought to light things that we might never have learned otherwise.

Moreover, neither the minister nor I were in the house in 1961. But I have been told that in 1961, item 1 as well as the other items of the Department of Agriculture's estimates were discussed for 12 days. This means that in 1961, the estimates for the Department of Agriculture were studied for 12 days, while we have now only devoted three days to them.

Before dealing with my subject this afternoon, I would like, first to congratulate the hon. member for Lotbinière (Mr. Choquette) whose riding is next to mine and who has somewhat established the basis of my remarks this afternoon. However, I would like to answer a few points.

For example, when he stated that during the election campaign last year, the Liberal party promised to the province of Quebec an associate minister of agriculture, this is not what I read in the political platform of his party, it is not what the farmers heard and that is not what was on the order paper of the House of Commons last year when, from May 20 to the adjournment, there appeared a resolution providing for the creation of the office of minister of agriculture for eastern Canada. Some hon. members and ministers even stated that the minister of agriculture for eastern Canada would be on the same footing as the present Minister of Agriculture.

Moreover, I should like to point out to the house, as well as to the hon. member for Lotbinière, that what we gained with the new Liberal government was simply the loss of a parliamentary secretary to the Minister of Agriculture.

Last year or two years ago, we had a full time minister of agriculture, a minister of forestry, a parliamentary secretary to the minister of agriculture and another parliamentary secretary to the minister of agriculture.

At the present time, we only have one parliamentary secretary; he may be worth two men, but he represents only one riding in Canada. All we have gained with the new Liberal administration is the loss of a man representing the minister of agriculture and all the members in the House of Commons.

The hon. member for Lotbinière raised another point. He said that during the years the Conservative government was in power, carelessness, inefficiency and apathy prevailed. I would not like to dwell on that this afternoon, because I would spend 30 minutes and even more relating everything which was done by the Conservative government, from 1957 and 1962. However, I shall ask the hon. member for Lotbinière to refer to a speech which I made in this house on September 28, 1962, when I had the opportunity to do exactly what he did last year, that is second the address in reply to the speech from the throne.

Mr. Choquette: I rise on a point of order, Mr. Chairman. It is not exactly what I said.

[Mr. Vincent.]

On the contrary, here is what I said, and it will please the hon. member for Nicolet-Yamaska (Mr. Vincent). I said that the Liberal members had a tendency of accusing the Conservative government of inertia, inefficiency and negligence, and that the Conservatives, in turn, were accusing the Liberals of doing nothing.

Now, what I wanted to suggest is that we cease to accuse and blame one another; that we go hand in hand in order to establish an agricultural policy in Canada, and particularly in the province of Quebec. I am sure that all the members will agree on that.

Mr. Vincent: Mr. Chairman, I agree entirely with the remarks made by the hon. member for Lotbinière at this time, but I am somewhat disappointed to see that when the Conservatives were in office, those remarks could have been applied to the members sitting on this side of the house. I recall, for instance, that during the last election campaign they came and told Quebec farmers: "If you vote for the Conservatives, subsidies on milk and consumer goods will be stopped. All measures passed by the Conservatives themselves will be rescinded." The very opposite happened. The Conservatives are now in the opposition and the Liberals are in office. We see that subsidies on milk, lime and butter are disappearing gradually, and that is not done to help farmers, but to save money for the federal treasury.

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

Mr. Vincent: Immediately after.

Mr. Choquette: Only one question?

The Deputy Speaker: Order. The hon. member for Nicolet-Yamaska has the floor.

Mr. Vincent: I should like, at this stage, to make a few comments on the remarks of the hon. member for Roberval. It is not my intention to take the government's defence, but when the hon. member for Roberval speaks about the farm credit corporation, I should not like him to create the impression that there is no farm credit for the farmers in the province of Quebec. He said that 2,500 loans had been granted in Saskatchewan by the farm credit corporation, while only 1,500 had been granted in the province of Quebec.

In the province of Quebec, we benefit from the provincial farm credit board that makes loans, or made loans at least at the time when another party was in power in the province, up to $30 million a year.

Now, I would like to deal, this afternoon, with a very important subject. The hon. member for Lotbinière admitted himself that the dairy industry is the basis of agriculture in eastern Canada.

On last April 29, the Minister of Agriculture made a statement in the house about a new program concerning the dairy industry and the production year opening on May 1, 1964, that is only a few hours before the institution of this new program.

Some time before, I had asked the Minister of Agriculture to announce this program early enough to give milk producers and dairies the opportunity to make representations if they could not accept it.

We realize that last year the government could not make that announcement before April 29 because, at that time, the Liberal party had only been in power for seven days, but this year the Minister of Agriculture should have made that announcement much earlier.

By referring to previous years I noticed, for instance, that the support price programs were announced for the years 1958 and 1959 on April 7, 1958, three weeks before the beginning of the new year. The program for 1959-60 was announced on April 23, that is a week before the start of the new year. In 1960-61, the program was announced on April 13, 1960, 17 days before the start of the dairy year. For the year 1961-62, the program was announced on April 20, again 10 days before the start of the new year. In 1962-63, it was announced on March 22.

Even though the then minister of agriculture was ill at the time, this program was announced in the house on March 22. And may I be allowed to point out that this program provided for a subsidy of 12 cents per pound to the consumer. It was a complete program as regards dairy products. This program was revised on April 9 and April 27, following the representations made by farmers.

This year, the program was announced only a few hours before the beginning of the new dairy production year.

What will be the effects of this new dairy program as regards our producers? It will surely not increase the already very low income of our eastern farmers.

We are already getting complaints and requests and reading in the country's farm newspapers editorials against that new dairy program which, I say it again, was announced at the very last minute to take the dairy producers by surprise and put them in an embarrassing situation.

In 1964-65, the producer who sends milk to the processing plant for butter will get 13.3 cents per pound of fat instead of getting, through the manufacturer and the federal government, 14.5 cents. That means that the producer will suffer a loss of 4¼ cents per hundredweight of milk, which will be made up by an increase of 1 cent per pound in the price of butter to the consumer. Therefore, the consumer will have to pay a basic price of 53 cents per pound for butter. That new policy will result in the Canadian consumer paying $3.5 million more, without the dairy producers getting one additional penny.

In the case of cheese, the 30 cent subsidy per cwt. of milk for cheddar cheese has been removed. This loss of several million dollars will be compensated by a payment of 3.6 cents per cwt. of milk for premium quality cheese.

The other day I heard the parliamentary secretary of the Minister of Agriculture tell us for instance, that nine pounds of cheese were being produced with 100 pounds of milk. I agree. Those figures are a bit more accurate than those given to us last year on another matter by the parliamentary secretary to the Minister of Trade and Commerce (Mr. Pepin).

But in the province of Quebec, only 86.8 per cent of the cheese is rated first grade, while 90.3 per cent in Ontario is first grade. The remainder of the cheese production does not benefit by this premium of 3.6 cents per pound.

Mr. Chairman, I received recently, just like the Minister of Agriculture, a petition signed by cheese producers of the constituencies of Nicolet-Yamaska, Drummond-Arthabaska and of St. Maurice-Laflèche. For the information of the house, I will read a few excerpts thereof:

> We have examined the new policy concerning grants for cheese production.
>
> We submit that to comply with the regulations established on May 1, 1964, while providing to the consumer the product which he wants, that is a fresh cheese, the price would necessarily be increased by 4 cents a pound, or the price to the farmer would be reduced by 30 cents per cwt. of milk. In either case, this would obviously be prejudicial and could entail very serious economic consequences.

Mr. Chairman, the federal government promoted the establishment of cheese factories. For instance, the first signature on the petition is that of Mr. Marcel Descôteau, of St. Grégoire. Mr. Descôteau obtained a grant from the federal government to set up his factory, and he retails all his cheese on the local market without having it classified or graded in Montreal. Since this cheese will not be classified, because the consumer insists

on getting a fresh product, and Mr. Descôteau sells 893,000 pounds of cheese per year, this represents a heavy loss for him.

As a matter of fact, Mr. Descôteau had to boost his retail price by 4 cents a pound this week, in order to pay the farmers the price he received last year. And if you take into account the increase of 4 cents per pound in the retail price of cheese, this can only mean a lower consumption. In fact, we may wonder where we are going, since last year 1963-64, in Canada, the consumption of cheddar cheese was 99.9 million pounds, as against 102 million pounds in 1962-63. This means that last year, the Canadian consumption of cheddar cheese went down by 2.1 million pounds—

[*Text*]

Mr. Hays: Mr. Chairman, may I ask the hon. member where he got these figures from.

Mr. Vincent: These figures were sent by the Department of Agriculture to *La Terre de Chez Nous.*

Mr. Hays: Are they d.b.s. figures?

Mr. Vincent: I would like to say, Mr. Chairman, that when the d.b.s. figures are better than those of the Department of Agriculture, the government uses them. The government used to give the d.b.s. figures, but when they found that the figures of the Department of Agriculture were better, they gave those figures. This is what happened last year with regard to the price of milk. I got all the figures on the price of milk from the Department of Agriculture, and the figures are not the same as those of the d.b.s. Therefore it is only a way of saying: "Well, these figures are better and we are going to use them". I shall come back to this in a few minutes, Mr. Chairman, with regard to the price of grain in Montreal. I shall speak about that later.

[*Translation*]

Mr. Chairman, this is a petition signed by cheese producers who sell their production on the local market. Mr. Marcel Descôteau retails 893,000 pounds on the local market; Mr. Paul-Émile Dionne, 68,000 pounds; the Société coopérative agricole of St. Germain de Grantham, in the Drummond-Arthabaska riding, 800,000 pounds; the Lemaire cheese factory, of St. Cyrville, 319,251 pounds. You also find the names of Mr. François Richard, of Kingsey Falls; Mr. Gérard Grenier, of Victoriaville; Mr. Henri Provencher, of Princeville; Mr. Félicien Lemaire, of my parish.

[Mr. Vincent.]

Their total production adds up to 3,202,884 pounds of cheese retailed on the local market and not classified.

This means that if the price is raised by 4 cents a pound, the consumer will have to pay an extra $128,155.36, because of the new support policy of the federal government.

Mr. Chairman, reactions are being felt everywhere. This morning, I received an issue of the newspaper *La Terre de Chez Nous,* the official publication of the U.C.C. The editorial was entitled:

The price support program of dairy products.

And I also read this:

Would thousands of young cattle on highway 17 be more eloquent than our leaders?

Mr. Chairman, the writer of the article does not keep the exclusivity of this headline. As a matter of fact, he says:

Even if I cannot claim I thought first of the suggestion concerning the walking of young cattle on route 17, I submit it anyway.

In regard to the new price support policy, which should be designed to help farmers, instead—as too often stated by the Minister of Agriculture—of saving money for the federal treasury, here is what the editorial of the newspaper in question says, and I quote:

The firm and optimistic tone of the first sentence of the statement made by the Hon. Harry W. Hays, federal Minister of Agriculture, lead us to expect that dairy producers will be better off during the dairy year just begun.

Mr. Chairman, I thought we were the only ones in the house to realize that the Minister of Agriculture always begins his statements by a bombastic tirade which never leads to anything.

And further—

Even if the compound index for goods and services used by eastern producers in the country moved from 232.3 to 242.5 from January 1963 to January 1964.

Mr. Chairman, the minister never mentioned the fact that the prices paid by producers for goods and services increased by some ten points from January 1963 to January 1964.

As for cheese, a few days ago I asked the Minister of Agriculture whether the organizations concerned had been consulted before the announcement of this new policy. I do not question the words of the minister, but I simply read the editorial article, and I quote:

The producers have not been consulted, but their claims are ignored.

And still speaking of cheese, this is what the editorial says:

Here, we do not at all agree with the minister. In order to hand out to its patrons the equivalent of 30 cents for a hundredweight of milk, a factory should have an average production of 8¼ pounds of cheese for every hundred pounds of milk, which means that the net would have an average fat content of nearly 3.3 per cent and more to be classified 100 per cent, Canada, first grade. If we recall that during the 12 months of 1963, the province of Quebec succeeded in having 86.8 per cent (in Ontario 90.3 per cent) of its cheese classified as first grade, and further that, during the heavy production months, the average fat content of our vats is nearer 3.2 per cent than 3.3 per cent, we have to infer that in case of conditions similar to that of 1963, the producers-suppliers of the cheese factories will be forced, on the whole, to accept a cut of 5 cents in their delivery price, in comparison to last year's price.

And the editorial also deals with the bonus for cheese exports to the United Kingdom. As a matter of fact, it should be kept in mind that, last year, the farm organizations in Canada asked for the reinstatement of that 4 cent bonus not only for the cheese exported to the United Kingdom, but for all kinds of cheese.

This premium was again cut by another cent, so that the way things are going, two years hence the Liberal party will have taken away completely what the Conservative government had granted during its term in office.

Mr. Chairman, I believe my time is running out, and I wish—

[*Text*]

Mr. Winch: May I ask the hon. member a question. In view of the fact that the hon. member is discussing an important phase of agriculture, and in view of the fact that I understand there are 129 elected Liberals in this parliament and only nine of them are here now, would the hon. member consider requesting the Chairman to rise, report progress, and request leave to sit again when there are more government members present?

Mr. Benidickson: You are pretty thin over there too.

[*Translation*]

Mr. Vincent: Mr. Chairman, last year, I had noticed, and was getting used to it, that whenever we were talking about agriculture the minister was not in the house. I have noticed it, at least on one occasion. But on several occasions, I found that in sittings of committees we were 13 or 15 Conservatives as against one or two Liberals. The hon. member for Lotbinière (Mr. Choquette) even told me that Liberals were not interested in taking part in an attendance contest, but only in discussing agriculture.

That is why I was not surprised this year to find only a handful of Liberal members, perhaps eight or ten, out of 129 present in the House of Commons.

When I spoke of feed grain last March 30, I stated that the government should introduce legislation enabling eastern farmers to set up a feed grain board. The same evening the Minister of Agriculture replied that price stability was an accomplished fact.

The next day, that is on March 31, I asked a question on the orders of the day. I had to wait, one month, one week and a few days before I got a reply that I already got the day before.

Once again, I do not question the statement made by the parliamentary secretary on behalf of the Minister of Agriculture to the effect that, for instance, barley was selling for $2.30 in September, $2.48 in October, $2.45 in November, $2.42 in December, $2,46 in January, $2.41 in February and $2.43 in March. I do not challenge those figures because they were probably secured from the federal bureau of statistics, as they look better than the figures of the Department of Agriculture. If the latter had been more favourable, they would have been used.

The parliamentary secretary was speaking of the price per hundredweight paid by retailers to wholesalers for barley and oats. I have here a price list which was sent to Mr. Louis Roy, a merchant in St. Perpetué, county of Nicolet, by a Montreal wholesaler whose telephone number is 931-1881, if anyone wants to check. According to that list, on September 7, 1963, barley was selling for $2.23½ per hundredweight as compared with $2.27 in October. I myself phoned a wholesaler in Montreal on January 8, 1964, to ask him the price of barley; I was told that it was $2.59½, that the price of oats was $2.55 to $2.59¾ and the price of No. 5 wheat $3.35½.

And those are price lists that retailers received from the companies which sell oats or barley and those retailers had to pay those list prices.

[*Text*]

The Deputy Chairman: I regret to interrupt the hon. member but I must advise him that the time allocated to him has expired.

Mr. Muir (Lisgar): Mr. Chairman, in rising to take part in this debate I should first like to express to the minister our great satisfaction that he, with generous assistance from the official opposition, was able to resist the pressures of his cabinet colleagues in what was apparently an attempt to split the Department of Agriculture right down the

middle and to relegate that department to a minor role in the affairs of the nation. I refer, of course, to the orders in council which were intended to strip the minister of his authority and which would have had the effect, had they not been rescinded, of destroying the effectiveness of one of our great departments of government. There was too much involved in this strange manoeuvre for either the official opposition or, to his credit, the Minister of Agriculture to stand idly by and see this happen. Because the Department of Agriculture has in the past played a very important part in bringing to the farming communities of the nation leadership, a measure of stability and assistance in times of stress, we believe it should continue to do so, provided it is given the opportunity by the government.

Frankly, Mr. Chairman, up to now the government has not shown the vigorous action that the Prime Minister in the election campaign promised if he were elected his government would take on behalf of agriculture. In that regard I should like to read into the record a short paragraph from an article in the April 9 issue of the *Family Herald* written by their Ottawa correspondent. He says in part:

> It is still not clear what Mr. Pearson intends to do with the farm department—
>
> Undoubtedly this delay is partly the cause for the Liberals' faltering record in agriculture. Since they took office, not a single piece of farm legislation has been passed by parliament. The measures that have been taken were by cabinet orders in council and these were few in number.

It may be that there is a glimmer of hope that the government can no longer ignore its responsibilities to agriculture in that we have finally had some farm legislation put on the order paper. I refer to the amendment to the Farm Credit Act.

We were also pleased to note that the minister indicated in a statement to the committee that he hoped to strengthen the liaison between the research organization of his department and the communities in which they are located. Everyone agrees that there is continuing need to stress the importance of good public relations between the scientists responsible for research and the general public. But research, to be most effective, must be made available to those individuals and commercial enterprises which can make practical use of it. Research is no more valuable anywhere than that carried out by our research stations and the experimental farms, where experiments are done under local conditions and where they can be of great benefit to the communities concerned. I think most of us will agree that our agricultural scientists are the equal of any in this field in the world, and any additional efforts which the department can put forward toward assisting our farmers in the improvement in the quality of their cereal grains, special crops and livestock is a step in the right direction. There is no doubt that this is a specific area where we can improve our competitive position in the markets of the world.

The other day the minister, in answer to a question I posed to him, assured us that the government intended to bring in legislation to reinsure the provinces against losses in their crop insurance programs. We certainly welcome this assurance because until such time as the provinces are reinsured they are hesitant about extending their programs in that regard beyond a regional or experimental stage. I had hoped that this legislation would also be put on the order paper in order to assure the provinces that they would be covered for the current crop year. Perhaps the minister can give us further assurance that this will be done.

Another problem I wish to bring to the attention of the committee is of vital importance to the western economy and of great concern to the farmers of the three prairie provinces. Since it comes under the jurisdiction of the minister and is part of his duties and functions I should like to impress upon him and the committee the prime importance of the matter of railway branch line abandonment in relation to the future well-being of agriculture. I hope that as the minister responsible he insists that a long, hard look be taken at any abandonment and that it is established beyond any shadow of doubt that the public interest is protected before consent to such abandonment is given.

Because of the widespread concern in the province of Manitoba caused by the proposed abandonment by the C.N.R. of practically all their trackage south of their main line between Winnipeg and Brandon, together with additional abandonments contemplated in that area by the C.P.R., a branch line association was set up last fall which has now become province wide and has made this particular problem a part of their concern. In fact, the statement issued by the association at that time reads as follows:

> The recent announcement regarding abandonment of railway branch lines is causing concern in may sections of Manitoba and concern on the part of the many interests which will sooner or later be affected by such abandonment. A part of the anxiety is due to the extent of branch line abandonment which has been indicated to date and the importance that is attached to abandonment as a solution to the problems of the

railways, especially in western Canada. It goes without saying that abandonment of branch lines should be subject to a thorough study and investigation from the standpoint of the costs of such abandonment to the individuals, municipalities and communities concerned.

The Deputy Chairman: Order. I apologize for interrupting the hon. member for Lisgar but I am having some difficulty relating what he is saying now to the first item of the agriculture estimates.

Mr. Muir (Lisgar): With great respect, Mr. Chairman, I am glad you brought this to my attention because the abandonment of branch lines throughout western Canada is going to impose a severe strain on agriculture, particularly the great grain growing areas of the three prairie provinces. Aside from what I have already said, it is my intention to relate my remarks directly to the agricultural community. I have no intention of bringing in commercial enterprises or others that may be affected by such a move.

Mr. Hamilton: Mr. Chairman, on the point of order, I think it should be made clear at this time, when the hon. member for Lisgar is making these remarks, that railway line abandonment has been put under the Minister of Agriculture in so far as the committee on organizing rational abandonment is concerned. Therefore I suggest that anything in connection with railway line abandonment can be properly discussed under item 1.

Mr. McIlraith: I wonder whether I could be heard on the point of order. The hon. member for Qu'Appelle stated that the Minister of Agriculture has responsibility over rail line abandonment. If he will check more carefully I think he will find that the legislation has not yet been dealt with by the house and the Minister of Agriculture does not have that responsibility. It has been announced that he will have it after the legislation is passed.

What in effect is happening is that the hon. member for Lisgar in his remarks is attempting to anticipate the content of the railway legislation to be based on the resolution now on the order paper. That is the nub of the difficulty and, as the hon. member will appreciate, it is improper to answer him or discuss this subject because to do so would be to disclose the content of the legislation to the committee before it has been presented to the house. I am aware of the keen interest of the farmers of western Canada in this subject, but for that reason I suggest, with great deference, that this stage of these proceedings is not the place to discuss this very important subject, and that it is a matter for discussion under item 16 of the order paper.

Mr. Baldwin: On the point of order, Mr. Chairman, I think this should be said. I would probably agree with the minister that we should not go into too great detail. However, from time immemorial in this country the Crowsnest pass rates have been one of the basic foundations and cornerstones of the prosperity of western farmers, and I think it is notorious that the briefs presented by most of the agricultural associations and bodies of western Canada have pointed out how deeply affected individual farmers will be, because by reason of branch line abandonment many of the benefits that flow to them will be lost or at least seriously diminished in that railway line abandonment will add to the costs of the farmers. Consequently I submit with great respect that at least to the extent of a general application a member who discusses the possible effect of branch line abandonment at this time falls well within the ambit of item No. 1 and has the right to do so.

Mr. Muir (Lisgar): Mr. Chairman, I was not attempting to anticipate legislation. What I was attempting to do was to bring to the attention of the minister responsible the very serious effects—I am sure that as a westerner he will agree with me—that the indiscriminate abandonment of branch lines is going to have on the farming community. However, I will shorten my statement in that regard to meet the wishes of the committee. I should like to continue only to the point where I can tie in rail line abandonment with the problems it creates for the farmers. Branch lines have been, and at least for the foreseeable future, will continue to be an integral part of our transportation system. Here is where I relate the matter to agriculture. The grain handling facilities made possible by their existence contribute to one of the most efficient marketing complexes now in operation. If lines are abandoned, naturally the railways will get the grain anyway at larger centres, but by doing so they are shifting the responsibility and the cost of marshalling the grain for export to the taxpayers of the provinces and the municipalities, who will have to assume the added burden and responsibility of building and maintaining highways and roads, and particularly to the farmers who will be faced with extra storage and delivery costs.

Earlier I mentioned there was no doubt that the railways would get this grain anyway at the larger centres. However, in so far

as the farmers are concerned, what is lost sight of is the fact that grain can be transported to smaller elevators from the field, in almost any type of truck or trailer. Each truck or trailer can be handled just as quickly in these small local elevators as in the larger ones. Perhaps only a farmer or an elevator operator can possibly imagine the congestion at large centralized elevators during the harvest period. I assure you that even under the best of conditions, grain delivery would be practically eliminated during the harvest time, when time is of the essence. Under these circumstances, the farmer can expect not only higher delivery costs but added storage costs as well. I hope the minister will give us his assurance that before any action is taken in regard to branch line abandonment the public interest will be the first consideration.

In his opening statement to the committee, the minister was enthusiastic in his appraisal of the agriculture economy over the past year. This is understandable on the part of one whose department is deeply involved in the affairs of that industry. The rest of us would be more inclined to share that enthusiasm if there had been some action on the part of the government since they were elected that would show they understood the problems of agriculture, and that they had policies designed to meet them. Since the last election the farmers of this country have been benefiting from the groundwork laid by the former government for a long term program to assist agriculture, a long term program that was brought into being to help the farmer obtain his rightful share of the nation's economic well-being. There has been little done by way of furthering this aim by the present government over the past year, nor have any of the promises that were made to agriculture by the Prime Minister been kept. Whether or not this has been by accident or design remains to be seen, but time is running out on the election promises of this government such as the two price system for wheat and a floor of $2 for that grain. These promises, plus regional support prices for eggs and hogs are just some of the things the farmers were led to expect from the Prime Minister's statements at that time.

We know the minister has had these promises hanging over his head, and this has been enough to discourage any minister of agriculture, particularly in view of the fact he has had little assistance from his colleagues. I would point out to the minister, however, that it was he who promised something would be done about higher machinery prices. The committee set up by the former government was unable to complete its work on this problem but much valuable information was gathered which may be of assistance to the minister. No one suggests there is any easy solution, but the cost of equipping the average farm today can run as high as the price of the land itself. This makes it difficult for our future farmers to get an initial start. We will be waiting with interest anything in the way of a solution which the minister has to offer. We hope also he will be able to persuade his colleagues that the problems of agriculture are not static, but must be continually reviewed in the light of the changing needs of the industry. He can expect our full support in this regard.

I listened with interest to the debate that took place this afternoon concerning political patronage. I am one of those who believe that the minister is perhaps sincere in his desire to eliminate this vulgar, nasty proposition from his department. I am referring to the Minister of Agriculture, not to some of the other ministers who I have reason to believe are more politically minded. If this is the case, I can assure the minister the full support and confidence of the official opposition.

I, myself, would be quite happy to see political patronage eliminated. During the time I have represented my area I have not once played politics with anybody. When it comes to appointments of P.F.A.A. inspectors, and I have received something like 60 requests in one year, I refer them to Regina and I do not even ask the people for whom they voted. I sincerely trust that in the minister's handling of the affairs of his department, in my constituency at least, he will leave the situation that way.

Progress reported.

The Acting Speaker (Mr. Batten): Earlier this morning during the deliberations of the committee, the Minister of Industry wished to table a document. Does the house now give permission to the President of the Privy Council, on behalf of the Minister of Industry, to table this document?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader if the business remains unchanged as announced?

Mr. Favreau: Mr. Speaker, the business will be the same as announced, but with the follow-

ing exception. Now that I know an act respecting the territorial seas of Canada has come back from the other place I must advise the house that it is our intention to have it dealt with as the third item, that is, after the resolution preceding the bill to amend the Bank Act and the Quebec Savings Bank Act.

Otherwise the order of business will be the same as announced but, as I said earlier this morning, there will be a supply motion next week, probably on Wednesday; and on next Friday the estimates which we will take will be those of the Department of Public Works, which will be followed by those of the Department of Citizenship and Immigration.

Mr. Knowles: When the minister said a supply motion on Wednesday I assume he meant interim supply, which does not require a motion.

Mr. Favreau: Interim supply.

Mr. Barnett: Might I be permitted to ask the Minister of Justice, in reference to the bill concerning the territorial seas, whether it is the intention of the government to have this bill referred to the standing committee on marine and fisheries following second reading?

Mr. Favreau: We will be in a position to advise the house of that on Tuesday, Mr. Speaker.

The Acting Speaker (Mr. Batten): Order. Pursuant to special order of yesterday, this house stands adjourned until 2.30 o'clock on the afternoon of Tuesday next.

It being five minutes after two o'clock the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Tuesday, May 19, 1964

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

PROCEDURE—FIFTH REPORT OF SPECIAL COMMITTEE

Mr. Speaker: I have the honour to present, in English and in French, the fifth report of the special committee on procedure and organization.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I give notice, on behalf of the committee, that concurrence in this report will be moved on Thursday. All it does is propose that certain rules and recommendations now in effect be continued for a further trial period.

FOOD AND DRUGS—CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. H. C. Harley (Halton) presented the second report of the special committee on food and drugs, and moved that the report be concurred in.

Motion agreed to.

TERRITORIAL SEA AND FISHING ZONES

LEGISLATION RESPECTING TERRITORIAL WATERS AND FISHERIES LAWS

Hon. Paul Martin (Secretary of State for External Affairs) moved the first reading of Bill No. S-17 (from the Senate), respecting the territorial sea and fishing zones of Canada.

Motion agreed to and bill read the first time.

CANADA COUNCIL

REFERENCE OF REPORTS TO PUBLIC ACCOUNTS COMMITTEE

On the order: Government notice of motion:

May 14—The Secretary of State—The following proposed motion:—That the reports of the Canada Council for the fiscal years ended March 31, 1962 and March 31, 1963, tabled on October 10, 1962 and on July 11, 1963 respectively, be referred to the standing committee on public accounts in order to provide for a review thereof pursuant to section 23 of the Canada Council Act.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

PUBLIC ACCOUNTS

REFERENCE OF PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORTS TO COMMITTEE

On the order: Government notice of motion:

May 14—The Minister of Finance—The following proposed motion:—That the public accounts, volumes I, II and III for the fiscal years ended March 31, 1962 and March 31, 1963, and the reports of the Auditor General thereon, tabled on January 21, 1963 and on February 19, 1964 respectively, together with the financial statements of the Canada Council for the fiscal years ended March 31, 1962 and March 31, 1963 and the reports of the Auditor General thereon, tabled on October 10, 1962 and on July 11, 1963 respectively, be referred to the standing committee on public accounts.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

LABOUR CONDITIONS

ADOPTION OF INTERNATIONAL CONVENTION RESPECTING DISCRIMINATION

On the order: Government notices of motion:

May 14—The Minister of Labour—The following proposed motion:—That it is expedient that the houses of parliament do approve of convention No. 111 concerning discrimination in respect of employment and occupation, which was adopted by the international labour conference on the 25th of June, 1958, and that this house do approve the same.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

THE SENATE

PROVISION FOR RETIREMENT OF SENATORS AT AGE 75

Hon. J. Watson MacNaught (for the Minister of Justice) moved that the house go into committee of the whole at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the retirement, upon attaining the age of seventy five years, of any person appointed to the Senate after the coming into force of the said measure; to extend the provisions of the Members of Parliament Retiring Allowances Act to such persons; to provide for the granting of an annuity to any person appointed to the Senate

before the coming into force of the said measure who resigns his place in the Senate after having attained the age of 75 years or having become afflicted with a permanent infirmity disabling him from the performance of his duties; and to provide further for the granting of an annuity to the widow of a person who was granted such an annuity upon resigning his place in the Senate.

Motion agreed to.

CANADIAN FLAG

REPORTED PRESENTATION OF DESIGNS BY PRIME MINISTER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister, now that he has returned to Ottawa from the fields of prophecy, whether he would tell the house why the announcement as to the alternative designs he had in mind was not made in the House of Commons. Second, are these designs his own particular persuasion or have they been submitted to the cabinet? There are other questions that naturally arise, but I will commence with those two.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in my statement to the Royal Canadian Legion on Sunday night the only reference I made to the design of a Canadian flag was as follows:

I believe most sincerely it is time now for Canadians to unfurl a flag that is truly distinctive and truly national in character—

Some hon. Members: Hear, hear.

Mr. Pearson:

—and as Canadian as the maple leaf which should be its dominant design.

How the maple leaf is to be reflected in the design, which will be brought before parliament in due course, remains for decision.

Mr. Diefenbaker: Now may I refer to the press conference which was to explain what up to that moment had been inexplicable. I ask the Prime Minister this. Did he place before the press conference two designs? Did he express a preference for one or the other and, if so, has either of those designs been considered by the cabinet, or are they simply an emanation of his own desire to bring about an even greater disunity in Canada than he has succeeded in doing thus far.

Some hon. Members: Oh, oh.

Mr. Pearson: My purpose in the pursuit of this policy, contrary to what the right hon. gentleman has said, is to bring about a greater degree of unity in Canada.

Some hon. Members: Hear, hear.

[Mr. MacNaught).]

Mr. Pearson: In that objective I hope—I am sure—I will get the support of the right hon. gentleman and of every other hon. member of the house, though we may differ as to the means by which that objective can be achieved.

As far as the press conference is concerned, the press asked me whether we had made any decision about this maple leaf design and I said no final decision had been made. I showed the press some of the great many designs which have been submitted to the government, especially three to which I was attracted, but no decision has been made as to the design which will be put before the house. The cabinet has been discussing the matter this morning and as soon as a decision has been made, and it is possible to do so, we shall put our policy in all its details in the form of a resolution and submit it to the House of Commons.

Mr. Diefenbaker: With the objective which the right hon. gentleman says he has in mind I am in agreement. But I am certainly in disagreement when he says that what he is doing will do other than work division.

Some hon. Members: Order.

Mr. Diefenbaker: I now ask this. Will the Prime Minister table these several designs which he placed before the press conference, or referred to there, in order that parliament may have at least as much information on this matter as outsiders have?

Mr. Pearson: As I believe I have stated, a great many designs have been received. In a short time—in a very short time—I hope the government will have made a decision with regard to a particular design, and this design will be placed before parliament for the decision of parliament in this matter.

Mr. Diefenbaker: The question I asked was whether these three designs would be tabled—

Some hon. Members: Order.

Mr. Diefenbaker: Is there not a degree of unity across the way yet as to which it should be? They cannot agree among themselves, and I can understand why they cannot agree anywhere else. I ask the Prime Minister this. How is the design which is ultimately determined upon to be presented to the house? Will it be by resolution or by bill, or does the same degree of disunity in the thinking of the government exist in this regard as in so many other matters?

Some hon. Members: Listen.

Mr. Pearson: I am happy to inform the right hon. gentleman that there is a very great degree of unity in the party I have

the honour to lead. For the sake of the country I hope there will be the same degree of unity among hon. gentlemen opposite. I have received, personally, dozens and dozens of designs. I do not think it would be appropriate or desirable to table one or two of those designs. In due course, and it will not be long now, the design the government has agreed on will be submitted to the House of Commons for decision.

Mr. Diefenbaker: May I point out that the Winnipeg *Tribune* shows two designs and states—

Some hon. Members: Order.

Mr. Diefenbaker: —that the blue border flag was the favourite of the Prime Minister. I ask him, will he place on the table of the house these two flags, the designs of which he put before the press conference; or is he going to continue to deny parliament its rights?

Mr. Pearson: Mr. Speaker, I do not intend to deny parliament its rights. This is the first time, in Canadian parliamentary history, I believe, that a matter of this kind has not been decided by order in council.

Some hon. Members: Hear, hear.

Mr. Pearson: That is accurate, Mr. Speaker. We are going to refer to this parliament for its decision a design which the government, discharging its own responsibility, has seen fit to put before parliament as a design suitable for submission and, we hope, for decision.

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, does the statement of the right hon. Prime Minister mean that the government will accept responsibility for the design which it is going to bring before parliament?

Mr. Pearson: Yes, Mr. Speaker; as the government has accepted now for a good many months—indeed, for two years—the policy which will be embodied in that design.

Mr. Nowlan: I was not speaking of the policy; I was speaking of the design. Let us not evade the question any longer. We are now told that the government is going to put a design before parliament. Does the government accept responsibility for it?

Mr. Pearson: I do not intend to evade the question, Mr. Speaker. The government will indeed take responsibility for the design which it submits to the House of Commons.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister how he reconciles his statement to the house on Friday, that the matter of the design of the flag would be open to a free vote, with his statement to the press conference in Winnipeg that the government would resign if the proposal it made to parliament was turned down?

Mr. Monteith: Answer that.

Mr. Douglas: I want to ask the Prime Minister whether he considers a free vote to be one in which the members have an election pointed at their heads like a gun.

Mr. Pearson: Mr. Speaker, the members have had an election pointed at their heads like a gun in respect of every decision that has been made in this house on policy matters since we took over the government. I have pointed out, and I think I should make it quite clear, that when the government submits to parliament a matter of policy—and this is certainly a matter of policy—the government must stand or fall on the result of the decision of the house. But we have gone out of our way, and I have gone out of my way personally, to let the members of this party know that in a question so personal, so close to their conscience, so deep in their emotions, as a flag, a member of the Liberal party, in voting against the design submitted by the government, would not be read out of the party for so doing.

Mr. Douglas: I take it, Mr. Speaker, we are not to have a free vote.

An hon. Member: That's right.

Mr. Douglas: Could I ask the Prime Minister whether he would agree that it would be common courtesy to parliament, instead of peddling various designs around the country, if these designs were submitted to a parliamentary committee—

Some hon. Members: Oh, oh.

Mr. Douglas: —where they could be given full examination.

Mr. Pearson: Mr. Speaker, I do not accept the suggestion that designs have been peddled around the country, and I would remind my hon. friend that when this issue was before parliament some years ago designs were submitted to a committee, some 1,700 were received, and no action of any kind was taken.

Mr. Diefenbaker: An order in council was made.

Hon. Michael Starr (Ontario): A supplementary question, Mr. Speaker—

Mr. Douglas: I have a supplementary question, Mr. Speaker. I had not finished the point I was making.

Mr. Speaker: Order, please. The hon. member for Ontario was on his feet for at least a minute before the hon. member for Burnaby-Coquitlam.

Mr. Starr: A supplementary question to the Prime Minister, Mr. Speaker. In view of what he has said, and in view of the howling from the Liberal benches today to questions on this matter, is it the intention of the government to pick a design and then ram it down the throat of parliament and the people of this country?

Some hon. Members: Shame.

Mr. Douglas: Mr. Speaker, I want to ask the Prime Minister whether it is not true that the committee to which he referred, which was chaired by the Secretary of State for External Affairs, did make a recommendation and that the government of that day, which was a Liberal government, did not act upon it?

Mr. Pearson: Mr. Speaker, it took that committee a very long time indeed to come to any decision in regard to a design because of the number of designs submitted. If we set up a committee for this particular purpose I am afraid that action would be postponed indefinitely, and we desire to take our responsibility in this matter as a government, which we indicated in two election campaigns we would be happy to be able to do.

Mr. H. A. Olson (Medicine Hat): A supplementary question to the Prime Minister. I wonder whether the Prime Minister could indicate to parliament some of the dates he has in mind. That is to say, would he like to comment on whether he could accomplish all the steps which are needed to be able to submit a design to parliament before July 1?

Mr. Pearson: Mr. Speaker, I think it would be very difficult to do this on the orders of the day, but we could have a supply motion next Monday, and if hon. gentlemen opposite are critical of the procedure of the government in this matter they could move a vote of no confidence on this question and that would give the house an opportunity to debate it fully.

Mr. Diefenbaker: Would there be a free vote on that too?

Mr. Pearson: I hope my right hon. friend, who feels so deeply in this matter, will take advantage of the opportunity of a supply motion next week.

Mr. Diefenbaker: In view of the fact that the Prime Minister has decided to bring in a red herring, may I ask him this. Will this motion on Monday next, this amendment, be a free vote?

Mr. Pearson: Mr. Speaker, I cannot, of course, tell my hon. friend the form of the motion that he should produce; but if he produces a motion condemning the action of the government in this matter he can draw his own conclusions.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I put a question to the Prime Minister?

Does the Prime Minister not think it would be a good thing for the government to invite Her Majesty Queen Elizabeth, during her visit to Canada, to come and raise on the mast of the parliament buildings the flag which the Canadian people will give itself this coming summer, in order to dampen the extremist ideas of both groups?

[*Text*]

Mr. Pearson: Well, Mr. Speaker, the present plans for the royal visit to Canada include a visit to Charlottetown and Quebec. I do not think it would be desirable to change those plans at this time; nor do I think it would be possible to do so even for the purpose to which my hon. friend refers.

Mr. Diefenbaker: Mr. Speaker, as the Prime Minister has brought up this question in answer to a question, may I ask him this. Is it not a fact that under our parliamentary system of government, whatever the Prime Minister recommends to the crown or to the representative of the crown in Canada must be accepted?

Mr. Pearson: Mr. Speaker, I am not a constitutional expert like my hon. friend—

Mr. Diefenbaker: I appreciate that.

Mr. Pearson: —but I think his statement is strictly accurate. I do agree, and I am sure he will too, that there are certain royal prerogatives which even as a matter of courtesy should be taken into consideration in these matters.

Mr. Diefenbaker: But does the Prime Minister realize that this is not one of the royal prerogatives which still remains unused, even though usable?

Mr. Pearson: I agree with my right hon. friend that this is not one of the active royal prerogatives; I was talking of taking royal prerogatives into consideration as a matter of courtesy in these matters.

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a supplementary question for the Prime Minister. I should like to ask him whether, in line with the current public interest in the flag question, the government would consider, before bringing in a design to parliament, first of all giving the people of Canada a free vote on this question through a plebiscite at the next federal election,

worked along the lines: "Do you favour the red ensign or a distinctive Canadian flag?"

Mr. Pearson: Mr. Speaker, I am grateful to my hon. friend for having given me notice of his question, and I realize its importance. In a sense every election is a free vote, and in a sense this particular policy was part of the last two election campaigns. It certainly was part of the policy of the party which now forms the government. But I do not think it would serve any useful purpose to have a national referendum at an indeterminate date on this matter. I think it would be better for the government to take its responsibility in the matter by submitting a particular proposal to parliament and then letting the members of parliament, as the representatives of the people, decide it.

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to direct a question to the Prime Minister. Could the Prime Minister inform the house whether the government intends to tie in the anthem "O Canada" with the bill concerning the adoption of a distinctive flag, so that this anthem may get official recognition at the same time as the distinctive flag?

[*Text*]

Mr. Pearson: Mr. Speaker, this government is also committed to the policy of asking parliament to approve officially of "O Canada" as the national anthem and I think it should be done during this session of parliament.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in all temerity and humility may I address a question to the Prime Minister, and perhaps through him to all members. Important as the flag issue may be, are not the conditions of the people and the country over which that flag flies more important? As the matter of the flag will come up for debate officially at a future time, can we not now get down to the bread and butter business of the people, the business of parliament?

THE CANADIAN ECONOMY

STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Prime Minister which is closely related to the previous question. My question arises from the dominion bureau of statistics release on Friday last indicating that the cost of living in Canada has gone up 2.7 points in the last year. Has the government taken action to deal with this alarming increase, the greatest in five years?

Mr. Speaker: Order. Would the hon. member put that question on the order paper.

Mr. Aiken: Mr. Speaker, may I give notice that I wish to debate this matter at ten o'clock tonight.

POWER

PASSAMAQUODDY—SUGGESTED MEETING BETWEEN U.S. PRESIDENT AND PRIME MINISTER

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, my question is also for the Prime Minister but on a different subject. Does the Prime Minister favour the proposal that a summit meeting on the Passamaquoddy project be held at Campobello in June between himself and the President of the United States? If so, will he say whether the government will initiate such a meeting?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is the first time this matter has been brought to my attention in the terms referred to by my hon. friend. I will be glad to take this matter under consideration.

VETERANS AFFAIRS

SASKATOON, SASK.—SUGGESTED NAME FOR NEW VETERANS HOME

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, my question is also to the Prime Minister but it is not of a provocative character. With reference to my previous question pertaining to the naming of the veterans home in Saskatoon after the late Harry F. Jones, can the Prime Minister now inform the house whether a decision has been made on this matter and, if so, what will be the official designation of this veterans home

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we have been in touch with the mayor and municipal council of Saskatoon, and after receiving a report from them confirming a previous somewhat informal approach, the Minister of Veterans Affairs and I discussed the matter and decided it would be, we thought, a well deserved and worthy tribute to the late member for Saskatoon if the veterans home in Saskatoon were named after him and called the Harry F. Jones memorial veterans hospital. Although I speak subject to correction, I think a notice has gone to Saskatoon from the minister to that effect.

Inquiries of the Ministry

POSSIBLE TRANSFER OF HOSPITALS FROM FEDERAL CONTROL

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, my question is for the Minister of Veterans Affairs but in his absence I will direct it to the Prime Minister. It concerns the statement made yesterday at the Royal Canadian Legion convention in Winnipeg by the Minister of Veterans Affairs that before any veterans hospitals are transferred from federal to provincial or local control there will be consultation with the veterans organizations. Will the Prime Minister assure the more than one million veterans of this country that if the veterans organizations do not concur following consultation with them, no transfers of veterans hospitals will be made?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to discuss that question with the minister and give the hon. gentleman a reply. I think the minister will be back tomorrow.

EXTERNAL AFFAIRS

NATO—REQUEST FOR REPORT ON COUNCIL MEETING

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, as the Secretary of State for External Affairs has returned from his trip to the NATO council meeting at The Hague I should like to ask him whether any decisions or developments took place at that meeting which would affect Canada's military or political contribution in NATO.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the answer to that question as phrased is yes. I would propose that an opportunity be given at the earliest possible moment when a full report on this meeting might be made to the house. The acting house leader is arranging with the other parties, I believe, for discussion of the external affairs estimates on Friday, when I would hope to have the opportunity of making the report in which my hon. friend is interested.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. I should like to ask the Secretary of State for External Affairs whether any decision was reached with reference to a multilateral nuclear force, and whether Canada made any commitment in this regard.

Mr. Martin (Essex East): There were no decisions with regard to the multilateral force, which is a proposal made not by NATO but by the United States. There was no discussion of this particular project as such.

Mr. Douglas: A further supplementary question, Mr. Speaker. Are any of the NATO countries supplying weapons to Portugal for use in Angola, where I understand wholesale massacres are taking place; and are any Canadian weapons being supplied to Portugal which could be used for this lamentable purpose?

Mr. Martin (Essex East): Mr. Speaker, Portugal is a member of NATO, and whatever assistance is given to that country by Canada is only in respect of her obligations as a member of NATO. Whatever assistance is given is on the distinct understanding that it is not for the kind of venture to which my hon. friend directs my attention.

LAOS—REQUEST FOR STATEMENT ON SITUATION

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Is he in a position to indicate in any way the government's attitude or actions in respect of the situation in Laos, where there is considerable Canadian involvement?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the situation in Laos has taken a serious turn. Over the week end there have been discussions among the countries represented on the truce commission, Canada, Poland and India, and there have been discussions with the United States and the United Kingdom.

I can only say that I regret to tell the house that in respect of the functions of the commission, the Polish delegate has not cooperated in the endeavours of the commission in recent weeks. I have therefore made representations to the Polish government urging it to assist in the maintenance of stability in Laos by fulfilling the obligations which they, together with Canada and India, undertook when the Geneva agreements were signed in 1962.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In what particular has the situation deteriorated in Laos as a result of the failure of Poland to discharge its share of the duties of the commission?

Mr. Martin (Essex East): Mr. Speaker, I do not believe I said the situation had deteriorated because of the reluctance of the Polish member of the commission. The situation has deteriorated because the neutralists and the forces of the right are being actively pursued by the Pathet Lao. The refusal of the Polish delegate to agree to inspection in

certain areas of Laos constitutes, in the judgment of the Canadian government, a failure to fully comply with the undertaking given in the agreement of 1962.

Mr. Diefenbaker: If there had been compliance on the part of the Polish representative, what has the minister to say as to whether the present condition would be as it is?

Mr. Martin (Essex East): I do not believe I can answer that, Mr. Speaker.

THE VATICAN—ESTABLISHMENT OF DIPLOMATIC RELATIONS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the fact that, during the week end the Knights of Columbus gathered at a convention requested that Canada appoint an ambassador to the Vatican, is it the government's intention to consider that matter so that this year an ambassador be appointed to the Vatican?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): This matter has been under consideration during the last year, and it was under consideration for the five years previous.

Mr. Pigeon: Yes, and the flag was, too.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Minister of Northern Affairs and National Resources.

Could he tell us whether discussions are still going on between his department and Quebec authorities with a view to handing over the administration of Eskimo affairs to the Quebec government?

Could he also tell us what progress has been made in the negotiations and when will the administration of Eskimo affairs be transferred to Quebec authorities?

[*Text*]

Mr. Speaker: Order. This question, while very important, requires a detailed answer. May I suggest that it be put on the order paper.

[*Translation*]

Mr. Grégoire: Mr. Speaker, may I give notice that I wish to discuss this matter on adjournment tonight?

[*Text*]

NATIONAL DEFENCE

JERICHO BEACH, VANCOUVER—TRANSFER OF LAND TO CITY

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): I have a question for the Minister of National Defence. Has the minister recently conferred in Ottawa with the mayor of Vancouver regarding the early transfer to his city of land now occupied by the army at Jericho Beach? If so, what were the results of the discussions?

Mr. Speaker: May I suggest that this is a question for the order paper.

FINANCE

REPORTED INCREASE IN NUMBER OF BANKRUPTCIES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I had a question for the Minister of Justice, but perhaps I may direct it to the Minister of Finance. My question arises from a recent release indicating that 3,678 businesses in Canada went bankrupt last year, an increase of 15 per cent. Has the minister caused inquiries to be made as to the causes for this increase in bankruptcies?

Hon. Walter L. Gordon (Minister of Finance): I shall be glad to consult with the Minister of Justice on his return tomorrow or the next day.

CANADIAN NATIONAL RAILWAYS

WESTVILLE, N.S.—PROPOSED REMOVAL OF STATION AGENT

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I should like to ask the Minister of Transport if he has received a telegram from the mayor of the town of Westville requesting his support in connection with the proposed removal of the Canadian National agent from the station in that community, thus placing it on a caretaker basis. If so, would the minister request the board of transport commissioners to postpone such action until the legislation standing on the order paper in the name of the minister is passed by this house?

Mr. Speaker: Would the hon. member put this question on the order paper.

Mr. MacEwan: I give notice I wish to debate this matter at ten o'clock.

NATIONAL PARKS

INQUIRY AS TO IMPLEMENTATION OF RECREATIONAL PROGRAM

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister of Northern

Affairs and National Resources, Mr. Speaker. In view of the urgent demands arising from Canada's expanding tourist industry and the increasing recreational needs of our own people, can the minister inform the house when action will be taken to implement the recreational parks program endorsed by the house last June 26?

Mr. Speaker: It seems to me that this is certainly a question for the order paper.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to address a question to the Prime Minister on a subject which, I assure him, is much more important in the minds of the people of the Alberni valley at the moment than the question of a new Canadian flag.

I should like to ask the minister whether, in the course of his meditations during his quiet week end, he was able to give reconsideration to the question of the size of the federal government's grant to the disaster fund and to come up with a suitable answer to that question.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it seems to me and to the government, having regard to the measure of the damage—and I do not depreciate that—and having regard to the responsibilities of the provincial government and the resources of the provincial government, that the federal contribution of a quarter of a million dollars is fair in the circumstances, and is in accord with the principles which have been followed in the past.

INCOME TAX ACT

The house resumed, from Thursday, May 14, consideration in committee of Bill No. C-91, to amend the Income Tax Act—Mr. Gordon—Mr. Lamoureux in the chair.

On clause 8.

Mr. Gordon: Mr. Chairman, it was suggested by some hon. members last year, and particularly I think by the hon. member for Edmonton West, that this particular provision should be made a permanent part of the act instead of an annual enactment in the bill from year to year. I wish to assure hon. members that this suggestion was very carefully considered. However, other legislation affecting special allowances for children will be proposed this year, and until it is put in final form it would not be known exactly how a permanent provision for this act should be drafted, or whether such a provision will be necessary after 1964.

In these circumstances it seemed better to continue the annual provision in its usual form for at least one more year. I wish to assure hon. members of the committee that this matter has been very carefully considered, and I for one think as soon as the time is appropriate it should be incorporated in the act permanently.

Mr. Monteith: The other day the minister announced that he was withdrawing two or three of the sections having to do with family allowances. Is he proposing to give reconsideration to this particular annual re-enactment at that time, or a year hence?

Mr. Gordon: The provision dealing with the extension of the principle of family allowances will be incorporated in a special bill to be presented, I hope, in the very near future. I am suggesting it would be better to extend this particular provision for one year, and I hope by that time we can incorporate it in the act finally.

Clause agreed to.

On clause 9.

Mr. Nowlan: Is the minister going to make a further statement with regard to clause 9, which increases the abatement by the additional 2 per cent? He intimated, I think during his budget speech, what this might cost the treasury, and I wondered if he could amplify the situation with regard to this proposal at this time.

Mr. Gordon: In the full calendar year 1965, including equalization, the extra two percentage points will amount to somewhere around $65 million.

Mr. More: Mr. Chairman, the other night I posed a question to the minister, and I think this is the proper clause on which to mention it again. Under the abatements arrangements some provinces have different charges from others, and I am wondering what the minister's reaction is to my question.

Mr. Gordon: I can assure my hon. friend that I did not overlook it. I have not examined all its implications with my officials, and I would like to defer taking any action on what, on the face of it, is a very interesting and sensible proposal until the full question has been investigated.

Mr. Nowlan: Following the dominion-provincial conference the Prime Minister announced that a committee was being set up, representative of the ten provinces and the federal government, to deal with the reapportionment of tax revenues vis-à-vis the

Canadian government and the provinces. Following that announcement we now have this legislation brought before us, which increases the abatement given to provinces over a period of two successive years. I am not quarreling with this at the moment, although it is a matter which could be debated one way or the other. However, I am wondering whether the committee has been constituted and what it will be doing in this connection.

Further, in view of the fact that the Carter commission has been working for a long time on the matter of taxation, and that the minister hopes it will be reporting before the end of the year, it is desirable to discuss what action should be taken in this direction at this time. It may be that neither the minister nor anyone else knows what the royal commission will recommend, but that commission may be making extensive recommendations vis-à-vis changes in the Income Tax Act. I would like the minister to speak for a moment or two on the situation respecting the committee which was announced by the Prime Minister.

Has the committee been constituted? Is it carrying on an investigation at the moment? What is expected to flow therefrom? Following the announcement regarding the setting up of this committee, why has this rather drastic action been taken of making a change in the middle of the golf course?

Mr. Gordon: I am not sure about the simile about making changes in the middle of the golf course.

Mr. Baldwin: In the bunker.

Mr. Gordon: I don't think anybody found themselves in a bunker or even lost their ball in the rough. As hon. members know, this proposal to increase the abatement to the provinces was made at the time agreement was reached upon a uniform Canada pension plan. At the time this announcement was made the so-called tax structure committee was proposed. I do not know if that is the name which will eventually be used for it, but it is the name that has been used so far. The committee has not yet been set up, although it is the intention of the government to go ahead with the idea.

The committee will include representatives of the provincial governments and of the federal government, and I mean representatives at the cabinet level. It will review the whole question of tax fields and the shares that are available to the federal and provincial governments respectively. I think my hon. friends will agree that this does not come within the terms of reference of the royal commission on taxation.

It was understood, when this tax structure committee was being discussed, that its members, before they reached any final conclusions, would have the benefit of the reports of the royal commission on taxation, as well as the reports of certain provincial royal commissions on taxation, especially the ones in Ontario, Quebec and one of the prairie provinces.

Major changes that might be contemplated in the tax structure of the country will obviously be taken into account by the tax structure committee in trying to arrive at suitable divisions of responsibility, suitable divisions of tax fields as between the federal and provincial governments. In the meantime this proposal that is incorporated in clause 9 has been very well received by the provinces.

Mr. Nowlan: Naturally. Did you ever see anybody kick about getting money?

Mr. Gordon: I can only repeat that it seems to have been very well received not only by the provinces, but enthusiastically by hon. gentlemen opposite. I certainly did not notice any objection to this.

Mr. Nowlan: Was it as enthusiastically received by the Minister of Finance?

Mr. Gordon: I will let that question pass, Mr. Chairman. I have nothing more to say.

Mr. Monteith: As I understand it, the 21 per cent of the basic tax in respect of the 1965 tax year applies to the calendar year.

Mr. Gordon: That is right.

Mr. Monteith: I also understand this first increase from 19 per cent to 21 per cent is going to cost something like $65 million, and the increase from 20 per cent to 24 per cent in the 1966 tax year is going to cost something like an additional $135 million, so that in round figures by the 1966 tax year the provinces will be receiving something like an extra $200 million. Can the minister give us any breakdown as to how this will affect the government's fiscal period? In other words, what is going to be the extra amounts for the years ending March 31, 1965 and March 31, 1966? How much additional money will have to be raised in taxes, or by how much will this increase the deficit?

Mr. Gordon: This year's figures, for the year ending March 31, 1965, will be affected by approximately $6 million because while it is $60 million to $65 million for a full 12 months, the dates when the collections are received make a big difference as to the amount which will fall into this calendar year. The calendar year 1965-66 will be affected, as closely as can be estimated, by about $68 million and the calendar year 1966-67—and here the calculation becomes

much more difficult—would be affected to the extent of about $145 million or $150 million.

Mr. Nowlan: Since the minister is dealing with estimates, I should like to ask him a question which will certainly require an estimate. He has referred to the fact that these abatements have been part and parcel of arrangements made vis-à-vis the proposed pension plan. Is the hon. gentleman in a position to say what will be the effect of a pension act on the floor upon which national revenue taxes are imposed? I presume that contributions made to the pension scheme will be deductible for income tax purposes. Millions of Canadian taxpayers will, I take it, be making contributions to the scheme and as a result the tax base will be reduced by so many millions of dollars. The minister has just told us how the abatements will affect his revenue. I wonder if the hon. gentleman is now in a position to advise the committee what the impact of the pension scheme is likely to be upon income tax collections? I realize this is likely to be difficult, but at the same time I assume intensive studies are being made in this field by officials in the Department of Finance and in the Department of National Revenue, whose ability in these matters is well known to me.

Mr. Gordon: I will do my best to answer this question. As the hon. gentleman knows, officials in both the Department of Finance and the Department of National Revenue are very loath to speculate in the unknown fields of the future. Unquestionably these contributions will be deductible for tax purposes, so on the face of it tax revenues receivable will be reduced correspondingly. On the other hand, the funds paid into the Canada pension plan will be invested and those investments will be put to productive use. This in turn will generate greater activity in the economy, so it is quite possible that in the long run revenues will be increased rather than diminished.

I am not in a position to give a specific answer to the hon. gentleman today. In any case, it will depend on the date on which deductions are to begin. The government is anxious that this should take place as soon as possible in order that the pension plan may go into operation at the earliest possible date, but we have to wait until the legislation is before the house; until it has been passed by the house. In the meantime I think it would be unwise, even if it were possible, to speculate about the exact effects upon any one year's budgetary receipts.

[*Translation*]

Mr. Grégoire: Mr. Chairman, section 8 of the legislation now before us, contains—

[Mr. Gordon.]

The Chairman: Order.

Mr. Grégoire: I am sorry; section 9 which is now under consideration contains an amendment which, it seems to us, is of great consequence. I am not speaking of the amendment made but of the provisions which are not changed.

Hon. members will remember that approximately 13 months ago, the Quebec government delivered an official ultimatum to the federal government, claiming 25 per cent of the individual income tax, 25 per cent of the corporation tax and 100 per cent of the estate tax. Since then, there has been some change concerning the estate tax. The provinces now get 75 per cent of such revenues instead of the 100 per cent which were requested. However, nothing has been done yet with respect to corporation income tax.

Under section 9, the federal government will give the provinces 21 per cent of the tax in 1965, that is one year from now, and 24 per cent in 1966, two years hence, whereas Quebec asked for a minimum of 25 per cent immediately. Therefore, the federal government is taking a heavy responsibility upon itself by retaining those taxation fields which the provinces want and are entitled to.

It must not be forgotten that direct taxation was the prerogative of the provinces and that the latter rented and lent those fields to the federal government so that it could cope with the emergency situation which arose during the last war. Now, the war has been over for 20 years and the federal government still controls direct sources of taxation which, in effect, should come under each provincial government.

In view of the restlessness existing in the province of Quebec, as well as in other provinces which also insist on their rights, a small 2 per cent increase was granted, bringing the abatement to 21 per cent in 1965 and 24 per cent in 1966. Mr. Speaker, I contend that it is not enough, that the requests from the ten Canadian provinces or, at least, from several provinces, insisting on an immediate 25 per cent, should have been granted immediately. Furthermore, the income tax percentage should be raised still higher, within a short time, and brought up to 100 per cent.

Mr. Chairman, clause 9 which is now under discussion is the main problem. It also touches a sore point, because the claims put forward by the provinces and by the Quebec citizens, indeed create a difficult problem.

Over the week end, there was great excitement everywhere especially in Winnipeg—and I want to commend the Prime Minister for his courageous stand on that occasion, when he was not afraid clearly to present

the case for a distinctive national flag for Canada. While there was much excitement in Winnipeg, the same situation prevailed in various places in the province of Quebec, in Montreal, St. Lazare and other localities. A bomb was even placed under Victoria bridge.

Everything hinges on the following point: should the federal government centralize everything or award a greater autonomy, or even full autonomy, to the provinces? That is the core of the matter, which summarizes everything. What the province of Quebec wants is fully and completely to recover all its direct taxation sources. Quebec has begun to express its views strongly, and I can assure you that the adoption of a distinctive national flag will not be enough to satisfy Quebec.

A distinctive flag is only an outward sign. The roots of the evil lie deeper; they are to be found in the fact that French Canadians want an autonomous state which will be able to administer itself and, therefore Quebec must recover its sources of taxation. And when Quebec has recovered its sources of taxation, it will be possible to have an agreement between the governments of Ottawa and Quebec. But as long as that is not a fact, and more particularly, as long as the taxation sources are not handed back to the province, the agitation will continue, and the province of Quebec will never be satisfied.

What is needed is amend clause 9 of the bill before us in order to give back to Quebec 100 per cent of what it has been claiming for a long time. That is the main problem at this time.

Shall we simply go on making fine speeches about national unity? Shall we go on making fine speeches on Canadian nationalism in the face of the clear requirements of Quebec in matters of fiscal autonomy?

Mr. Chairman, as we are now dealing with the taxation field, I shall refrain from mentioning other clauses and only discuss fiscal autonomy, as this is the point under consideration.

Quebec wants to recover its taxation sources, and I think that the federal government would be well advised to adopt a plan which would give back to the province of Quebec the sources of revenue it needs to develop from a cultural, political, economical and social point of view before it is too late.

Quebec needs its sources of revenue, and the central government should work out a plan to remit to the province 25 per cent of its direct and indirect taxation sources this year, 50 per cent next year, 75 per cent in two years, and 100 per cent in 1967. There, Mr. Chairman, is one of the formulas which might make it possible for the agreement to survive in Canada. When what divides us is divided, we shall be better able to agree wherever agreement is possible.

The problem of fiscal distribution is a continual source of division between the federal and the provincial governments. Therefore, why not remit to the province of Quebec the sources of revenue to which it is entitled under the 1867 constitution? It is because the latter has been violated too many times that it is less acceptable today. It is because the provisions, too often, were broken—

The Chairman: Order. I venture to interrupt the hon. member to point out that while the comments he is making are extremely interesting, they are not quite relevant to the clause under discussion. I do not think that under the circumstances, he is free to make general statements on national unity or fiscal autonomy to which he made reference.

The hon. member knows that at the committee stage, we must strictly limit our remarks to the clause under discussion, and I suggest that he should limit his observations to the very specific points now before us.

Mr. Martineau: On the point of order, Mr. Chairman, I think that when the right hon. Prime Minister (Mr. Pearson) introduced the amendments in the house, he said they were for the purpose of strengthening national unity, and that is why I think the remarks of the hon. member for Lapointe are quite to the point.

The Chairman: Without wishing to enter into a discussion with the hon. member for Pontiac-Témiscamingue, even if the right hon. Prime Minister made those comments, I am sure he did not intend to encourage the members of the committee to make speeches dealing with policy statements on every clause submitted to the committee.

Such comments might be relevant on clause 1, but I doubt that they are on clause 9 which is now under discussion.

Mr. Grégoire: Mr. Chairman, I thank you for having said that my remarks were very interesting. I am sure they will be interesting indeed for the future.

However, I am surprised that you should call me to order on that, because the previous legislation provided that 19 per cent of the basic tax would be turned over to Quebec in 1965 and 21 per cent in 1966. And now, that is being changed to 21 and 24 per cent. Why? Surely, we must analyze the reasons why that is being done. It is because Quebec requested it. Once the reason is known, the problem can be studied. And now we know the reason for those changes. They are the

result of the continuous and strong requests not only of the provincial government but also and especially of the Quebec members who sit in this house, as well as those of the Quebec people. We now know the whys and wherefores. And why are those changes to clause 9 substituted for the amendment which had been provided in 1960, I believe? Why will 21 per cent of the basic tax be deducted in 1965, instead of 19 per cent, and 24 per cent instead of 21 per cent in 1966? It is in order to try to give to the provinces a larger source of revenue, so that they may be in a better position to develop from the economic and cultural standpoints.

It is also because it has been recognized that the provinces have priority requirements. If the act as it existed before has been amended, it is because it was recognized that Quebec has priority needs. By this change, it is recognized that provincial governments have priority needs, and the federal government states that these needs—

Mr. Pepin: Order.

Mr. Grégoire: Mr. Chairman, I do not understand at all the interruptions of the hon. member for Drummond-Arthabaska (Mr. Pepin). If he has something to say or a question to put, let him stand up and I will be pleased to answer him. But he is too far for me to hear what he has to say at this time.

So, Mr. Chairman, if changes were made, it is because one thing became clear; this amendment to the act acknowledges the priority needs of the provinces, and especially those of the province of Quebec.

However, Mr. Chairman, I must add that the changes made at this time are not sufficient. It is too little, and much too little. What should be done, is to give back 100 per cent of direct taxation sources to the provinces. If the other provinces do not want them, they only have to leave them to Ottawa. But Quebec wants them. A stop should be put to the violation of the 1867 constitution, as it is violated now, and Quebec should get back 100 per cent of its sources of revenues, as it requests it.

Mr. Chairman, I can assure you that the fact of amending clause 9 and changing the rates 21 per cent and 24 per cent to 25, 50, 75 and 100 per cent, in order to give back to Quebec, by 1967, its sources of taxation, that will be much more important for national unity than any speech the Prime Minister can make before the Canadian Legion in Winnipeg.

I do admire the action taken by the Prime Minister but, unfortunately, it came too late. As this matter has been dragging for years, it comes too late; it will not be enough to satisfy the claims from Quebec. In my opinion, it is still time, today, to amend this clause 9 and provide that by 1967 the provinces will be handed back 100 per cent of their indirect and direct sources of taxation.

Mr. Pepin: You are sick.

Mr. Grégoire: Mr. Chairman, once more, I did not catch a single word of the jabbering from the hon. member for Drummond-Arthabaska. If he wishes to ask a question, let him rise and ask it.

Mr. Pepin: I simply say that you are mad. Mr. Chairman, if you allow me, I shall ask the member for Lapointe this question. If the central government gives to the provinces 100 per cent of the taxation powers, what will remain for it? How will the central government continue living?

An hon. Member: It is very easy to answer that.

Mr. Grégoire: Mr. Chairman, it is very easy to answer that question. But before so doing, if I am not mistaken, the hon. member for Drummond-Arthabaska said I was mad. Now, I want to assure him I am of dangerously sound mind, and I think that the mad people are those who change their opinions or ideas as soon as they move from one side of the house to the other. One can see then that their ideas are not sound, which is an indication that they are not of sound mind.

Mr. Pepin: I never changed sides. I have always been on this side.

Mr. Martineau: You changed your mind.

Mr. Grégoire: Mr. Chairman, to change sides or change one's mind outside the house and in the house is even more serious. To say something before the election and something else afterwards, is still more serious.

Mr. Pepin: Mr. Chairman, I ask the hon. member for Lapointe to withdraw his remarks.

The Chairman: I do not believe that the hon. member for Lapointe made any unparliamentary remarks. I understood the hon. member for Lapointe to say that a certain member might change his mind. I do not feel it is unparliamentary to say that a member might change his mind.

Mr. Pepin: Mr. Chairman, I wish to point out that I changed my mind to get a better view of things.

Mr. Grégoire: Mr. Chairman, it is not difficult to answer the hon. member, because it is known that he does not speak in the same way in the house as outside the house. In fact, it is known that the hon. member makes fine statements outside the

house and when he is given a dressing down by his leaders, he sits down and does not say a word.

The Chairman: Order. I ask hon. members to come back to the section now under consideration.

Mr. Grégoire: Very well, Mr. Chairman. The hon. member for Drummond-Arthabaska asked that question which, by the way, is quite fair and logical: if we give back to the provinces the entire field of tax resources, what is the federal government going to do?

At the moment, Mr. Chairman, I am entirely in order, because I intend to bring in an amendment to section 9, and I want to justify my amendment.

What is the federal government going to do if we give back the taxation resources to the provinces? Well, it will take care of its own business. It will withdraw from the fields of education, road construction, hospitalization, agriculture, forestry, and all those joint programs which all encroach on the provincial field.

It is clear enough, Mr. Chairman, and I wonder why the hon. member for Drummond-Arthabaska is opposed to the federal government's withdrawing from the fields of education, hospitalization, roads, etc., since they are provincial fields that should come solely under the provinces' jurisdiction.

But no, true to the Liberal party's policy, the federal government persist in levying more and more taxes and entering all other fields, even those which, under the constitution, belong to the Quebec government. We would like the federal government to mind its own business and stop interfering in fields which come under the provincial government. It is quite simple. Deprive the federal government of its sources of revenue, and it will have to mind its own business.

Mr. Choquette: Well, let the province of Quebec withdraw from confederation.

Mr. Grégoire: Mr. Chairman, the hon. member for Lotbinière (Mr. Choquette) is suggesting that Quebec withdraw from confederation. He may be a fanatic extremist for wanting to get Quebec out of confederation, but I will be more logical and more intelligent than he is: I suggest that confederation be rebuilt so that it will be made up of two associate states, each staying within its own sphere and leaving to the other the fields which come under its jurisdiction.

The Chairman: Order. I am sorry to interrupt the hon. member for Lapointe once again, but it seems to me that he is wandering still further from the matter under consideration.

Mr. Grégoire: Mr. Chairman, I thank you for calling me to order and I will thank you even more when you call the backbenchers to order—I have not found another word to describe them more vividly—who keep interrupting me. Their interjections are taking us away from the subject. I do not mind at all wandering from the subject, but I must say it is the interruptions from those few hon. members sitting almost in the curtains—

Mr. Choquette: At least we are in office. I would rather be in office and sit in the rear—

The Chairman: Order.

Mr. Grégoire: The hon. member for Lotbinière says he would rather be in office. That sentence might help the committee on privileges and elections to realize what advantage there is in being with the party in office. It would seem that the hon. member for Lotbinière has a fair idea.

Mr. Pigeon: He belongs to the government of Her Majesty the Queen.

The Chairman: Order. I would remind hon. members on both sides of the house that we are now examining a very serious matter.

Mr. Grégoire: Thank you, Mr. Chairman. If the hon. member for Lotbinière persists in interrupting, I would ask that he be expelled because, many times, since the beginning of my remarks, he disregarded your rulings to keep quiet. Mr. Chairman, if you are unable to reduce him to silence, I would give you some advice: go and get his whip; he knows how to keep him quiet.

Mr. Chairman, to conclude, I would like to make a suggestion to the federal government. At the present time the government seems to direct its efforts towards unity or at least towards good will and harmony in our country. My suggestion is precisely that we take advantage of section 9 of the bill which we are considering at present to make arrangements for giving back to the provinces 100 per cent of the taxation fields before 1967.

Consequently, supported by the hon. member for Roberval (Mr. Gauthier), I move:

That, for 1964, the words "25 per cent" be substituted for the words "21 per cent" in section 9 which deals with subparagraph (iv) of the act, and that in subparagraph (v), the words "50 per cent" in 1965, "75 per cent" in 1966 and "100 per cent" in 1967 be substituted for the words "24 per cent".

An hon. Member: Question.

The Chairman: Unless members of the committee wish to make some comments on the merits of the amendment moved by the hon. member—

Mr. Choquette: It is out of order.

The Chairman: I am ready to give a ruling on that point. In my opinion, there is absolutely no question but that the interesting amendment moved by the hon. member for Lapointe is out of order, since it constitutes a new proposal which only a minister of the crown can introduce.

[*Text*]

Mr. Lambert: Mr. Chairman, continuing the line of questioning which has been put by my colleague the hon. member for Digby-Annapolis-Kings, is the minister satisfied that between now and 1967 there will not be any further erosion so far as the abatement is concerned? In other words, is this amendment to be the final one? We have seen a change last year; further concessions were made, if I recall aright, last autumn. Then the same thing happened in March, or subsequent to March, of this year. I am wondering whether the minister can tell us that there is to be finality, or is this again subject to future conferences between now and January 1, 1967?

Mr. Gordon: Well, Mr. Chairman, in the first place perhaps I should point out that despite the eloquence, or I should say the misdirected eloquence, of the hon. member for Lapointe the proposals in this section apply to all of Canada and not to any particular province. I might also be permitted to remark, before I answer my hon. friend, that under the Canadian constitution the federal government has the power to levy any kind of taxes, including direct taxes; and the federal government was in the field of direct income taxes long before any of the provinces. I can assure my hon. friend that the federal government has no intention of abdicating its responsibilities, as I suspect it would have to do if it were to follow the suggestion of turning all these tax fields over to the provinces.

In reply to the direct question of the hon. member for Edmonton West as to whether there will be any other changes between now and 1967, I can only say that there are no changes at present in contemplation. But in the affairs of men changes do occur from time to time, as he very well knows.

[*Translation*]

Mr. Martineau: Mr. Chairman, could the Minister of Finance tell the house what direct connection there is between provisions of section 9 and the agreement reached in respect of pensions, for one is collateral to the other?

Since the minister was directly concerned in the discussion which were held, it would be interesting for the committee to obtain further information in this matter.

As I understood the logical argument put forward by the minister when he brought down his budget, he had reached a certain

conclusion on the income tax abatement which should be granted to the provinces, that is what should be shared between the federal government and the provinces.

The minister should tell us at this point why he changed his mind in this regard.

I should also like him to tell us—and I think this matter is most relevant—whether, as suggested by the hon. member for Edmonton West (Mr. Lambert), we should expect further claims from the provinces, especially from the Quebec, premier, since concessions granted do not meet with his minimum requirements. I think the minister should tell us today if further abatements will be considered and if he is prepared to comment on the possible status of associate state for the province of Quebec, at least in the taxation field.

Finally, I would like the minister to tell us what kind of activities the federal government will engage in to make up for the decrease in revenues resulting from the last agreement; because, as everyone knows, with the increased abatement, the minister will be compelled to choose one of the following alternatives: either the government will withdraw from certain activities, thereby reducing its expenditures; or else, it will impose new taxes to make up for the loss in revenue.

Before this item is carried, it is very important for the committee to know which of these alternatives the minister prefers at this time. I, therefore, resume my seat so that he may answer these few questions.

[*Text*]

Mr. Gordon: I will be glad to answer as best I can, Mr. Chairman. I think that all those who attended the federal-provincial conference in Quebec on the 31st of March came away feeling depressed and disappointed. At that conference we had not reached agreement either on a uniform pension plan for Canada as a whole or on the means of financing the very urgent requirements of all the provinces, especially in the field of education. I say that I think there was a general feeling of disappointment that agreement had not been reached on these broad questions.

So, as my hon. friend knows, the government made one last final attempt to reach agreement with the provinces on these two very important questions and the attempt was successful. I suppose that in recent times no decision has been so well received as the agreement with the provinces, which was worked out subsequent to the conference, that we would have a uniform pension plan for the whole country—

Mr. Martineau: May I—

Mr. Gordon: If you will let me finish—the benefits of which will be the same across the country, which will be fully portable throughout the country and which, following agreement upon a constitutional amendment, will provide for survivor benefits.

I also think that the other agreements reached at the same time, including the decision to increase the tax abatements provided for in this clause for the years 1965 and 1966, met with general approval across Canada. On the second question—

Mr. Martineau: Before the minister goes on to the second question, may I ask him a supplementary question? Did the agreement on pensions hinge on agreement in regard to greater tax abatements in the income tax field?

Mr. Gordon: As I have said, these were the important matters that were discussed at the conference. Subsequently agreement was reached on both of them. I cannot go further than that. We succeeded in arriving at a solution which solved both of these problems at least to a very large degree.

Second, my hon. friend asked me whether the reduction in federal revenues that will follow these changes will result in the federal government either retiring from certain present programs and reducing its expenditures to that extent or, failing that, what the effect on the government's revenues and budgetary position will be. I am not in a position to indicate the budgetary position for the year 1965-66 or for the year 1966-67 at this time. When decisions of this importance, which are obviously decisions of government policy, have been arrived at, they will be announced in the house in the ordinary way.

Mr. Martineau: Mr. Chairman, it is all very well for the minister to say that decisions on these matters of policy will be announced in due course, but we are now studying a specific amendment to the Income Tax Act and we want to know the motives for the change. The minister says the motives will be announced in due course. I know he cannot discuss his budgetary dispositions for future years, but at this stage he certainly can discuss the policy of the government if it pertains to the particular clause we are studying. I think the minister should give us an answer.

Mr. Gordon: There is nothing further I can add. The proposal in this clause is to make certain additional abatements in the personal income taxes available to the provinces. The amount of these abatements I have estimated and have supplied to the committee. As I see it, that is the only question before the committee in discussing this particular clause. If it is the wish of the committee to approve the proposals of the government in this respect, that is one thing; if it is the wish of the committee to oppose them, that is another.

Mr. Martineau: That is arrogance.

Mr. Gordon: But I suggest it would be quite impossible for any minister of finance in introducing amendments, even important amendments, to the Income Tax Act to go on and give an indication of how the budgetary problems of next year or the year after will be dealt with. Quite obviously no one can estimate what the total expenditures and revenues will be, beginning a year from now, until there has been an assessment of the condition of the country and the prospects for the immediate future. That cannot be done very accurately a year or two years ahead of time.

Second, when these estimates have been prepared the government, as a matter of policy, will be confronted with three choices. The first one was referred to by the Prime Minister when he first announced these proposed changes. He pointed out that if the federal government makes certain additional tax fields available to the provinces, and if the federal government's revenues are reduced by a proportionate amount, then the government will have to consider when the time comes to prepare the next budget whether it will, in the interests of the country impose more taxes and obtain in this way some other source of revenue.

The second choice, and one that I can assure my hon. friends the government is engaged upon now, is another review of all government expenditures and all the various programs that are under way to ascertain if there are any items of expenditure that can be eliminated or reduced without damaging either the Canadian economy or the welfare of the Canadian people.

The third choice, obviously, is to consider, in the light of the fact that additional revenues are being made available to the provinces and therefore that their deficits would be reduced below what they otherwise would be, whether in these circumstances a higher federal deficit may be justified. This is something no one can tell until the economic conditions a year from now are known. I cannot, therefore, answer my hon. friend's question any more specifically.

Mr. Martineau: I thank the minister for making this additional effort. He certainly has proven he could have gone farther than he did at the outset. I am thankful for the statement because it does give some indication of the problems that are involved in this change in the rate of federal abatement.

I do not see why the minister should be so coy because he has already stated publicly, in other forums, that the government necessarily will have to raise more taxes to make up for these revenues that are being lost. If that is the minister's intention, I do not believe he is revealing any of the secrets of future budgets by so declaring. At least we know that the government is studying some of these things. I am satisfied he has gone as far as he can go under the circumstances.

I do not know if the minister can answer this question, but according to a speech he delivered in Winnipeg, I believe, the other day he seemed to think the only way to make up the lost revenue would be to impose additional taxes. I am wondering if he is still of that opinion.

Mr. Gordon: I did not give that impression, I believe, in a speech I made in Vancouver, not Winnipeg. I gave the three choices that I have just outlined to my hon. friend and I think, I can almost say I am certain, that I did not indicate which of these the government was following.

Mr. Martineau: Perhaps once again, he has been misquoted by the press.

Mr. Gordon: I do not think so.

[*Translation*]

Mr. Pigeon: Mr. Chairman, just a word to say that there is dissatisfaction at the present time among Canadian provinces, since they need further financial resources in order to provide for their educational, economic and social services. I would even say that Canada is now experiencing a political crisis, and I am asking the minister whether he agrees with Messrs. Lévesque, Gérin-Lajoie and Pierre Laporte, ministers of the province of Quebec, who hope and advocate that in the near future Quebec will become an associate state. If those responsible ministers use such terms, it is surely because they are not satisfied with the policy of the federal government towards the provinces, and more especially toward the province of Quebec.

I therefore ask the minister whether he thinks it would be in Canada's interest that the province of Quebec become an associate state, as advocated by those three ministers?

The Chairman: Order.

Mr. Pigeon: I would be very pleased to know the opinion of the Minister of Finance on this matter.

The Chairman: The minister may give his opinion on the subject, but I am afraid that the question, as asked, even though the hon. member for Pontiac-Témiscamingue (Mr. Martineau) seems on the point of expressing an opposite view, goes beyond the limits of the item now under discussion.

Mr. Martineau: I was going to suggest that if the Minister of Finance is unwilling to answer, the hon. member for Drummond-Arthabaska (Mr. Pepin) might give a reply.

Mr. Pigeon: I have asked that question because there is unrest at the present time within the provinces and more particularly in the province of Quebec as regards the taxation basis sharing plan, as the provinces are not satisfied. Taxes are constantly increasing. The sales tax has reached 6 per cent and it is levied on a uniform basis in the province of Quebec. The provinces need sources of income. As far as the province of Quebec is concerned, when responsible ministers of the provincial government, friends of the Minister of Finance, speak about an associate state, it means that they are not satisfied—

The Chairman: I presume that the hon. member for Joliette-L'Assomption-Montcalm rose on a point of order. I realize that perhaps the Minister of Finance is ready to give an answer to the original question.

Mr. Pigeon: He was ready to answer my question.

[*Text*]

Mr. Gordon: I am not quite clear as to the connection between certain alleged statements by certain provincial ministers and this particular clause. Perhaps there is a tenuous connection, I do not know. In any event, I am not prepared to comment on what the ministers of another government, even the government of Quebec, might have said on some other occasion.

Clause agreed to.

Clauses 10 and 11 agreed to.

On clause 12—*Special tax rate.*

Mr. Lambert: I know that at the resolution stage and on second reading, Mr. Chairman, I raised some question about the motivation for this return to the 15 per cent. Actually I would call this amendment the yo-yo amendment because in 1962 the rate was 15 per cent. Last year, over the protests of members on this side of the house and many other people, it was increased to 20 per cent. Now, we are back to 15 per cent. Perhaps the minister could give us an explanation as to why the rate is now being returned to 15 per cent.

Mr. Gordon: This is a consequential amendment, of course, Mr. Chairman. If my hon. friend recalls, this tax rate was increased from 5 per cent to 15 per cent in December

of 1960, I think it was. It has remained at 15 per cent ever since. It was proposed that if the rates of withholding tax on dividends in general went to 20 per cent, as it was at one time contemplated would take place on January 2, 1965, then in the interests of uniformity and common sense, if I may say so, this tax rate should also go to 20 per cent. The intention is that it should be the same as the rate of the withholding tax which applies generally. As I indicated in the budget speech, if as a result of certain proposed reductions in the rates of United States tax, it is no longer considered necessary to increase the withholding tax to 20 per cent in January, 1965, then the tax on N.R.O. companies should be brought into line. It also did not come into effect.

Mr. Lambert: This is all very fine but, as my colleague indicated, this is in the nature of a bedtime story because it was a very convenient action by the United States government which allowed the minister this out. This is part of the big stick that was waved last year.

Mr. Martineau: Could the minister tell us how successfully this 20 per cent was in operation or whether, in practice, it was applicable?

Mr. Gordon: Is my hon. friend referring to clause 12 which we are now considering?

Mr. Martineau: Yes.

Mr. Gordon: It was never in effect.

Clause agreed to.

On clause 13—*Manufacturing or processing business.*

Mr. Lambert: Mr. Chairman, may I remind you of the procedure we had the other night, that while we do not pass the subclauses, yet we discuss them in order. I have nothing to add so far as the definition of manufacturing or processing business is concerned, but I would like to refer to subclause (3). I have made my comments with regard to subclause (2) as to the extension of time, but I am wondering why this change was introduced concerning "owned" as against "leased"? As it is, paragraph (a) referred to leased buildings and machinery, and I am asking why this concept of ownership is introduced at this particular time? Would there not have been, on the other hand, a particular paragraph dealing with properties and which were owned, because in the ordinary contemplation of drafting and the making of regulations one considers that assets are owned rather than leased? This is a minor amendment but to some degree it is enlarging the concept. Why was the change made?

Mr. Gordon: I was confused in my own mind too when I first saw the way this was presented with the words "owned or" underlined. The reason I am given for underlining these words is that they did not appear in exactly that form in the original section, but I should make it clear that the purpose of this is not to make any change between properties that are owned or leased. The purpose is quite different. It is in the qualifying test. It is to take into account the current value of properties rather than their written down book value. This is just to plug up a loophole that has been foreseen, and in the addition of the words "owned or leased" there is no significance at all.

Mr. Lambert: Then this raises the further question I had raised on second reading. With regard to the machinery and equipment, if it is to be 95 per cent new, why then do you have to introduce this distinction between fair market value and its actual capital cost? We are not considering goods that may be written down in value because they then will not be new, nor can buildings be new if they have already been subject to some write-offs for depreciation purposes. It may be a very narrow area.

Mr. Gordon: It is. I will see if I can give a capsule explanation and, if I cannot, I will read the full explanation that I have here. It is to avoid a situation where most of the machinery or equipment was old machinery or equipment written down to, say, a dollar on the books of the parent company, and then the new manufacturing or processing business would go out and buy a few typewriters and desks and perhaps an automobile or two, or some relatively small amount of new assets, and because the great bulk of the assets were written down to a dollar, 95 per cent of the book value would be represented by the price of the new typewriters and the new desks, and this, that or the other thing. It is just to see, in that kind of test, that the assets written down to a dollar in the books would be taken into account at fair market value.

Mr. Lambert: In order to arrive at 95 per cent for new machinery and equipment?

Mr. Gordon: That is right.

Mr. Hales: On this point of owned or leased buildings, equipment and machinery, in the starting up of an industry in a designated or depressed area I am wondering why we want to put in "leased." It is conceivable that a company could lease a building, could lease some machinery, go into a designated area and get the incentives now spread over a period of three years and, at the end of three

years, it could pull out and, because everything was leased, there would not be the same interest or same amount of capital at stake.

In fairness to the promotion of a designated area I think they should own their property, their buildings and equipment, rather than be allowed to lease them.

Mr. Gordon: That is a point of view, Mr. Chairman. However, I think that from the standpoint of getting a new business going in the lower St. Lawrence region, on the Gaspé coast, or some place like that which badly needs something new, it does not make very much difference in an economic sense whether the people who are embarking on that new enterprise succeed in raising all the capital they need to finance a new building, or whether they finance it under some leasing arrangement. The building will be there. It is something that is physical and, in drafting this, we did not think we should make it more difficult for some moderate sized concern to get under way in some of these designated areas. That is the only purpose of the words "or leased", because in quite a number of cases this is a normal way of financing.

[*Translation*]

Mr. Martineau: Mr. Chairman, in the French text of clause 13(3)(a), it says:

"situés dans la région désignée qui avait été possédés ou loués par la personne—

In the English text, there is consequently no possession; it says "owned", that is ownership.

In my opinion, the way that text is drafted could give a certain loophole to companies that would come into those underdeveloped areas. As a matter of fact, a company may very well be in possession of some machinery or equipment, while that equipment or machinery is not owned by it. Thus, they could, by alleging possession, defeat the intent of the act which provides that 95 per cent of the machinery must be leased or owned by the company settling in that area.

Perhaps it would be proper for the minister to read again the French text in order to eliminate that loophole.

[*Text*]

Mr. Gordon: If there is a difference between the French and English texts they should obviously be brought into line. I was just consulting my favourite translator here, to see what might be done. I am not yet clear as to the difference which the hon. gentleman has pointed out.

Mr. Martineau: The difference is between ownership and possession. The French text would enable a company "possessing" 95 per cent of the equipment to benefit from the provision, but I think the intention is that the company owning or leasing it should benefit.

Mr. Gordon: I am grateful to the hon. member for bringing this to our attention and we shall see that the change is made.

The Chairman: Do I understand it is the intention to let this stand while we go on to the other matters dealt with in this particular clause?

Mr. Gordon: I wonder if we could carry on with the English text, which does reflect what is intended. Then we might ask the translation service to make sure that the French text is corrected so as to be on all fours with the English text.

[*Translation*]

Mr. Martineau: The minister is not suggesting that the English version is more official than the French version, is he?

[*Text*]

Mr. Gordon: No, it simply implies that with my limited abilities in this field it is the only one I am sure about.

Mr. Monteith: Before we leave the subject of designated areas, may I ask whether the allowance extends beyond the three year period, that is, the allowance applicable to a designated area?

Mr. Gordon: All new businesses establishing themselves in designated areas must come into commercial production within the three year period, that is, the period before March 31, 1967. The benefits they receive apply to a three year period from the time they come into commercial production. So the benefits would apply either from March 31, 1967, for three years, or—if a company had come into operation a year earlier—from March 31, 1966.

Mr. Monteith: Would the fact that a certain area which had been considered a designated area was no longer included in that category affect the situation?

Mr. Gordon: This amendment in subclause (5) is intended to take care of the situation to which the hon. member has just referred. If a designated area is—I almost said "desegregated"—if an area ceases to be designated, companies could be left high and dry. This provision provides a formula under which their interests and rights are protected.

Mr. Monteith: For the three year period.

Mr. Gordon: Yes. But if they had only said they intended to establish a business in the

area and had not got on with the job before the cessation of designation, they would lose their right to benefit.

The Chairman: Is it agreed that the French text should be revised?

[*Translation*]

Mr. Martineau: I can point out that the words "étaient possédés" appear several times in the text, and if a revision is made, they should be changed every time they are used. "Were owned" has been translated by "avaient été possédés". I recommend that the words "qui avaient appartenu" be substituted for the words "qui avaient été possédés".

[*Text*]

The Chairman: Is that agreed?

Mr. Gordon: Yes, and again I thank the hon. member for the close way in which he is watching these amendments.

Clause 13 agreed to.

Mr. Nowlan: I do not know whether any other members of the committee wish to speak on clause 14. The hon. member for Edmonton West was called to the telephone a few moments ago. I know he wished to speak briefly on it and I wonder whether we could pass it by for a minute or so and then return to it.

The Deputy Chairman: Shall we defer consideration of clause 14 for the time being?

Some hon. Members: Agreed.

On clause 15.

Mr. Monteith: I want to ask one question about this. I am assuming that a pension plan which becomes adjusted at the time old age security benefits become payable cannot be registered now; is that so?

Mr. Gordon: It could as far as old age security is concerned but, of course, it cannot be registered as far as the Canada pension plan is concerned.

Mr. Monteith: Well, the explanation reads:

> The new rule will permit registration of a retirement savings plan which provides for the annuity payable under the plan to be reduced by an amount not in excess of payments under the Old Age Security Act.

So I am assuming this applies to old age security benefits which amount at present to $75. I know that certain plans have, in the past, provided for the reduction of benefits once a recipient is eligible to receive old age security payments. I gather, from the wording of the explanation, that these are only now being allowed to register.

Mr. Gordon: Prior to this provision being made a plan could be registered, but the amount of the reduction in the payment from the plan had to be exactly the amount the recipient received in old age security benefits. There was no flexibility attached to it. Now it can be reduced by any sum up to that amount.

Mr. Monteith: I see.

Clause agreed to.

Mr. Nowlan: Perhaps we could go back, now, to consideration of clause 14. I see my hon. friend is in his place again.

On clause 14.

Mr. Lambert: The other day I raised the subject of allowances for research in a number of questions which I put to the minister, and what prompted me to do so was the emphasis placed here on the year 1962. Moreover, I am wondering if we are not doing something which, in effect, undoes the incentives which were provided in years past. This applies primarily to work done outside the country. The main motivation for increasing the incentives in respect of research done within Canada has been provided in briefs submitted by the Canadian Manufacturers' Association, research groups, universities and others interested.

This was in an effort not only to develop research in this country but to try to retain so many highly trained research personnel who were, frankly, finding no outlet and no encouragement for their abilities here in Canada. For that reason we were placing the emphasis on the encouragement of research facilities in Canada. I remember the former minister of finance, Mr. Fleming, placing a great deal of emphasis on the encouragement of research facilities in this country even going to the point of granting a 150 per cent allowance in this regard. I fully subscribe to that. Also, I subscribe to incentives being granted to a firm in Canada which has to go outside the country to do some rather specialized research because facilities do not exist in Canada. The research involved may be in connection with a field so narrow that it is not possible to set up laboratories and obtain the personnel for this work. I agree that we should grant such firms incentives in this regard; perhaps not to the same extent, but at least to the extent of 100 per cent.

However, why at this stage do we say that for the taxation year 1962 and onwards we are going to make allowances for research for the benefit of the business of the taxpayer, whether the research is carried out in Canada or elsewhere? I frankly confess some difficulty in understanding this provision and am just wondering whether it is not to

benefit some particularly narrow class of taxpayers, and whether they are being given some form of retroactive bonus in this regard because they have made specific representations to the minister. I would like as much detail as possible in this regard.

Mr. Gordon: Mr. Chairman, I think the hon. member has raised two questions. First, why go back to 1962, and second there is the question of whether expenditures made by a business in Canada for research outside Canada should be allowed as a deduction for income tax purposes. When the amendment was introduced it applied to the year 1962 and subsequent years. It provided that if research expenditures were made in Canada, the taxpayer could claim 150 per cent of those expenditures in computing his taxable income. I do not know what went on in the minds of the then ministers, but I am quite sure from what I have heard from my hon. friend for Edmonton West and my hon. friend for Digby-Annapolis-Kings over the past year that there was no thought of using the carrot and the stick approach; that the only approach my hon. friends would have indulged in was the carrot approach and there was no idea at all of penalizing people who for one reason or another were making expenditures in another country for research which they felt was of very great value to their own businesses.

I suggest that inadvertently the wording of the section was such as to preclude altogether any deduction of any kind for expenditures on research except those made in Canada. Have I made myself clear to the hon. member?

Mr. Lambert: Yes.

Mr. Gordon: Since the amendment was passed by the then government Canadian businesses have had the advantage of a 150 per cent deduction for any expenditures made in Canada, but because—and I understand it was by inadvertence—of the wording of the amendment, since 1962 they have been penalized or have not obtained any benefit in computing their taxable income for expenditures on research in other countries, some of which research they have been carrying on for many, many years. Representations to this effect have been made, to my knowledge not by any particular taxpayer, not by any particular class of taxpayer, but by people like the tax foundation and the joint committee of accountants and lawyers, who have been saying that they think there is an anomaly here; they think there is a mistake here; they think something was done by inadvertence that was not intended. I do not know if that is true, but they think there was no intention to wield a big stick; that there was certainly no intention on the part of hon. gentlemen then in the government to penalize these firms for carrying on in the way they had always carried on. In fact, they think a mistake was made.

Therefore, in assessing these representations the present government came to the conclusion that the incentive introduced in 1962 of granting a 150 per cent deduction for any research expenditures made in Canada, over a certain base, should stand, but that companies which for one reason or another get very valuable research assistance in other countries should not be penalized. In some cases it would be impossible to get the same facilities in Canada. I am sure there are examples of where these arrangements have been entered into under contract, and in many cases Canadian industry benefits to a very considerable extent from the access that it has to research in the United States, Great Britain, European countries, and so on, and is prepared to pay for them.

It is not suggested that these payments should be allowed as a deduction to the extent of 150 per cent. It is suggested that, like other expenditures that are laid out for the purpose of earning income, they should be allowed to the extent of the amounts paid; that is to say, there should be no incentive, but it should be just to the extent of the amounts paid. If we do not do this, what we would be doing in effect would be saying, "If you carry out your research in Canada, fine; you will get a bonus to the extent of a 150 per cent write-off. But if you cannot, and you take advantage of research facilities in other countries, then, while we will allow you any other type of expense that is necessary for the purpose of earning income, we will not allow you this particular item of expense". Those who have made representations, the lawyers, accountants and professional people of that kind, thought this was an anomaly; they thought it was a mistake. They convinced the government that it should be corrected or, if it was not a mistake, that it should be changed. I think it was perhaps done inadvertently.

When the hon. member says, why do we go back to 1962, the answer is very simple. The amendment applied to the years 1962 and thereafter. Those years have not yet been finally assessed, and it was thought that the fair thing to do would be to go back to the date when the change was made in the first place.

Mr. Lambert: Mr. Chairman, I realize what the minister is trying to get at but I am not too sure that he is altogether correct in his assessment of the situation. I would ask, how

can he deal with the following situation? We know that this applies generally across Canada, where we have so many subsidiaries of foreign firms operating in this country. How can he guarantee that there is not an overloading on to the books of the Canadian subsidiary of the cost of research conducted by the organization as a whole? Let us assume, for argument's sake, that there are five plants or subsidiaries in the United States and one or perhaps two in Canada, and that they have research facilities. The cost should be apportioned out over the whole organization, but because of the various profit positions of the company a business decision is made that because the Canadian operations have been highly successful a higher proportion of the cost of research for that year shall be charged on the books, which means merely making a bookkeeping entry; whether it be a branch or a controlled subsidiary it is a matter of book entries, and therefore flexible.

I agree with the minister that a taxpayer in Canada who is deriving benefit from research should pay his fair share and regard it as an expense of doing business. But what control has he—this may be a matter for the Department of National Revenue—over seeing that what is being charged for is a fair price for research properly attributable to the operations of a Canadian subsidiary?

Mr. Gordon: Of course, Mr. Chairman, this is a broad question which applies to a lot of other charges made by parents to subsidiaries, quite apart from the question of charges for research. It makes the problems of the Department of National Revenue that much more difficult, as my hon. friend from Digby-Annapolis-Kings knows very well. There is the difficulty of knowing whether the subsidiary company is paying too much for the goods it buys. There is also the question of all kinds of intercompany charges that the officials of the Department of National Revenue have to examine very carefully. In the last analysis the assessors of the Department of National Revenue must be satisfied that charges of all kinds—and there are many other charges which are made besides those for research—made by parent companies to their subsidiaries are reasonable and that they are not being used to transfer profits, free of withholding tax and free of income tax in Canada, from such subsidiaries to the parents.

I think the article in the Canada-United States reciprocal tax convention dealing with this matter is article IV which deals with "diversion of profits to a parent corporation." It is one of the things which the assessors must look into company by company and case by case; but I can assure my hon. friend that as far as I know there is no more difficulty in doing this in the case of research expenditures than in a wide variety of other intercompany charges.

Clause agreed to.

On clause 16—*Sale of accounts receivable.*

Mr. Nowlan: Would the minister explain what is the reason for clause 16? It simply amends the former section to include the sale of obligations in the money lending business. Was there some particular case which arose which made this clause necessary. What is the background to it?

Mr. Gordon: This was one of those things which was taken pretty seriously by the joint committee of the Canadian Bar Association and the Canadian Chartered Accountants Association. They thought there was a loophole here, or if not a loophole then an omission, and they felt very strongly that it should be coopered up. I was convinced that there was something in it; it did not seem too serious so we thought we should go along with it.

Clause agreed to.

Clauses 17 and 18 agreed to.

On clause 19.

Mr. Nowlan: Would the minister just explain the meaning of clause 19?

Mr. Gordon: The provision being repealed provided a special 5 per cent tax on increased dividends to prevent companies which did not intend to acquire a degree of Canadian ownership paying extra dividends before the end of 1964 in anticipation of the coming into force of the 20 per cent non-resident withholding tax on January 1, 1965. Any company which may have paid the tax imposed under part IID will be eligible for a refund.

Mr. Monteith: I am assuming that the minister admits that he was not correct in bringing forward the increase to 20 per cent in last year's income tax amendment.

Mr. Gordon: On the contrary, Mr. Chairman. As I explained before, the only reason for reducing the amount from 20 per cent to 15 per cent is the changes in the rates of tax in the United States. After all, we are all agreed now, I think, that this carrot and stick business introduced some time ago by my hon. friend opposite in connection with research charges is something for the past.

Mr. Martineau: Does that mean, Mr. Chairman, that the fiscal policy of the government will depend in large measure on what is being done below the border?

Mr. Gordon: Certainly not, Mr. Chairman.

The Deputy Chairman: Shall clause 19 carry?

Mr. Martineau: May I call it five o'clock?

The Deputy Chairman: Order. It being five o'clock and in order that the house may proceed to the consideration of private members' business, it is now my duty to leave the chair.

The Acting Speaker (Mr. Batten): Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills.

BANK OF CANADA ACT

AMENDMENT TO CHANGE FORM OF BANK NOTES

Mr. Maurice Côté (Chicoutimi) moved the second reading of Bill No. C-26, to amend the Bank of Canada Act (form and material of notes).

[*Translation*]

He said: Mr. Speaker, in introducing Bill No. C-26, an act to amend the material of notes issued by the Bank of Canada, I simply wish to change the obsolete wording on our bank notes. For that purpose, I propose that subsection 4 of section 21 of the Bank of Canada Act be hereby repealed and the following substituted therefor:

> The form and material of notes shall be subject to approval by the minister, but such notes shall not contain any wording which is misleading or which might deceive the public as to the true nature thereof, or of the obligations incurred by the bank in issuing them and all notes shall be printed in both the English and the French languages.

As stated therein, the purpose of this bill is to provide that bank notes shall not be inaccurate and misleading as they are at the present time because they bear the words:

> "Will pay to the bearer on demand".

These Bank of Canada notes being legal tender, such words printed on them are misleading. To replace those words, I suggest that the following words be printed: Legal value. It will be more consistent with the facts.

Why are the words "Will pay to the bearer on demand" inaccurate and misleading? Precisely because at one time, our notes were secured on a gold reserve amounting to 25 per cent of the value of notes in circulation. And if a Canadian wanted to exchange his notes against gold coins, he could legally do it. In fact, it almost never happened.

However, since 1940 there has been no gold in the Bank of Canada to guarantee legal Canadian currency. In fact, to a question I asked the Minister of Finance in October 1962, I got the following reply:

> The Bank of Canada maintains no gold reserve whatever.

Here is what we find at page 1089 of the Canada Year Book, 1962, and I quote:

> This requirement was suspended in 1940 when, under the terms of the exchange fund order the bank's gold holdings were transferred to the exchange fund account to form part of Canada's official gold and United States dollar reserves.

At the time of the motion preceding the first reading of this bill, I noticed that the Minister of Finance (Mr. Gordon) showed his agreement by a nod. I believe it is not presumptuous to conclude that the Minister of Finance unreservedly approves this bill.

Moreover, the Ottawa newspaper the *Citizen,* under date of December 5, 1963, published a short news item concerning this bill, which I shall quote in the original language.

[*Text*]

> M.P. Reads His Money, Wants Words Changed.
>
> A Social Credit M.P. maintains that Canadian paper money is "inaccurate and misleading" because it bears the words "Bank of Canada will pay to the bearer on demand" (the value of the bill). Maurice Côté, a follower of Socred leader Robert Thompson, from Chicoutimi, Quebec, introduced a private members bill in the Commons Wednesday which would replace the words with the simple statement: "Legal value". Côté said the old words are now misleading and inaccurate because money is no longer guaranteed by gold. A Bank of Canada official asked what the bank would give a "bearer" who presented a dollar bill and demanded a dollar for it replied: "Another dollar". He agreed with Mr. Côté that the words were a hangover from the days when you could get payment in gold or other metallic substance for your money. Nowadays they just meant you could trade old notes in for new.

[*Translation*]

We must consider that the value of our bank notes proceeds nowadays from a social fact, that is the purchasing power given to it by the members of the social group by virtue of a practice of long date. That value comes from an act of faith, a collective trust, the assurance that 100 monetary units, called dollars, enable and will enable to pay taxes, merchandise, services, debts up to 100 monetary units, whatever the material support of these units may be.

We must also consider the fact that if our Canadian currency could be converted into gold during many years, this same currency has not been convertible since 1940 and that it never ceased to have the confidence of all Canadians.

As for me, Mr. Speaker, when I have in my pocket a nice $20 note, I am very pleased because I know I can buy Canadian products anywhere in Canada.

The bond which linked our notes to the gold standard gradually lost its importance.

Nowadays, the bank note or dollar bill is evidence of indebtedness which has a value of its own independent of that of the metal on which it was secured in days past.

That is why our bank notes have become a true currency. They play the characteristic functions of currency in that they are an instrument of barter, a standard by themselves and a reserve of value for the future.

Consequently, the words "will pay to the bearer on demand" have become useless and are misleading for the public. Indeed, the man in the street never bothers about them. I must say that nowadays millions of Canadians seldom see the colour of money, because they have none on account of our debt-ridden financial system.

On the other hand, 98 per cent of the money in circulation is credit money, issued or created by chartered banks; it is bank money, account or figure money, because 2 per cent of the cash deposited is sufficient for banking institutions to pay unforeseen withdrawals.

Nevertheless, Mr. Speaker, I think it is most important that the 2,220 million bank notes in circulation on May 6, 1964 reflect faithfully the truth. I hope that all members realize the legitimacy of this bill and that they will gladly support it.

[*Text*]

Mr. Lloyd Francis (Carleton): Mr. Speaker, I have listened with a good deal of interest to the remarks of the hon. member for Chicoutimi (Mr. Côté), the proposer of the bill, and I must commend him on the background material he has introduced relating to the operation of the gold standard and the circumstances under which Canada suspended operations under the gold standard and the conversion of its currency into gold. It also seems to me that his remarks concerning the factors that really determine the value of a currency are eminently sensible and I would not disagree with them. I am concerned about some aspects of the bill because I think the bill as drafted makes some assertions which I for one find difficult to accept. I quote from the wording of the proposed bill:

> —such notes shall not contain any wording which is misleading or which might deceive the public as to the true nature thereof, or of the obligations incurred by the bank in issuing them—

With his scrupulous and literal regard for the truth, the hon. member proposing the bill felt that the words should be changed. The words to which the hon. member objects are that the Bank of Canada will pay the bearer on demand. I do not know whether there is any significance, but it seems to me that every time there is a reprinting of these notes these words appear a little smaller. Certainly they were more conspicuous on the notes that were in circulation during the forties.

It seems to me that if the intention of the hon. member is to correct an injustice, then he has not proven anyone has been deceived or that there is any injustice to be rectified. He himself said that he is quite happy to receive the currency of the realm and his only regret is that he cannot have more of it in his pocket, a regret which I am sure all of us share. If the hon. member is thinking in terms of reform legislation, he should go much farther than he does. I have before me selections from the recommendations of the royal commission on banking and finance which deal indirectly with this matter.

The commission recommends:

> For example, sections 22 and 23, which provide for the redemption of Bank of Canada notes in gold and the maintenance of a gold ratio, have both been suspended for many years and should be removed from the act.

In other words, the commissioners would go farther than the proposer of this bill in clearing up this wording that some people might perhaps regard as an anachronism that serves no useful purpose.

The commissioners go on to say:

> The basic integrity of our currency does not depend on gold but on the skill and wisdom with which it is managed.

This, of course, is in line with modern thinking, and I am sure very few hon. members of the house would disagree. The basic problem here, it seems to me is, what are we trying to do? Are we concerned about the wording? Does any hon. member really believe that anyone who accepts our currency is deceived or misled? Does anyone who receives his pay at the end of a week worry about the soundness of the currency or does he feel that this fine print somehow or other deceives him? It seems to me it is the very heart of our constitutional usage of our democratic traditions, that we in parliament go through certain legal fictions. While the form is maintained, the content changes. In this way we maintain a certain continuity in our institutions, which has a very beneficial purpose. This continuity which is contained here by a reference to the gold standard does not really bother me, Mr. Speaker, to the extent that it appears to bother the hon. member, who feels he has to introduce a piece of legislation to correct it.

I should like to call the attention of the house, Mr. Speaker, to a few instances in which we have maintained certain forms and traditions and where the wording, while maintaining a certain semblance of continuity with what has gone before, does not conform any more than the wording to

which the hon. member refers calls to mind the actual situation. When we are discussing measures there are certain forms that you, Mr. Speaker, and the chairman of committees follow. I note that on April 17, at the end of the debate in committee on redistribution, the form used by the chairman was, "Shall the committee rise and report progress?" It is eminently clear to those who examine the report of that debate that there was no substantial progress to report as a result of that debate. The hon. member for Churchill (Mr. Simpson) referred to the fact that, perhaps, with the passage of time the members of the press gallery may develop a more objective style of reporting. This is a certain term which does no particular harm, and it is one with which I would not disagree.

I offer these as illustrations of certain fictions in the forms connected with our procedures in this house and the other place which we have maintained over a long period. This suggestion that someone is somehow deceived or misled or injured when we use such language or such forms is one which it is very difficult for me to accept as a member of this house. There are many other examples of the way in which the use of language has been traditionally carried over from situations that have prevailed for long periods of time. There is the message that the Governor General himself delivers in the name of Her Majesty at the opening of a session. There are certain legal fictions in connection with the passage of legislation through parliament. Certainly the role of those who have responsibility for giving advice is played down in our procedure in connection with the action that is taken in the name of the sovereign by the Governor General. This deceives no one in terms of literal meaning, but it preserves a certain form and meaning in our institution, and should not be taken literally the way the hon. member who is proposing this bill apparently takes this matter.

I recall another exercise in semantics not very long ago of a slightly different nature in this house. We had a private member's bill before us to change the name from the Old Age Security Act and Old Age Assistance Act, and the hon. member proposing the bill wanted to substitute the euphemism of the senior citizens security act and the senior citizens assistance act. One hon. member quite rightly pointed out that a mere change in name, a mere change in form, does not make anyone a day younger, does not change the content of what we are doing or trying to do. I would submit that the same kind of consideration has to be borne in mind. We have preserved certain wordings on our bills of exchange. This wording is now hallowed by usage. It has been continued for many decades in Canada.

There is, I submit, no harm in this language. No one is deceived, no one is injured. There is no one who believes that our currency is any worse because of the language which is printed upon it. So far as I know, Mr. Speaker, there is no one who really feels there is an obligation on this parliament to give precedence to measures which deal largely in a semantic way with the problems with which we are trying to deal.

As one member of this house, I have tried to argue that the wording of this bill, which has been so well developed by the proposer of the bill itself, is related to the days in which we had a currency that was convertible into gold. This was suspended in 1928 and there followed the measures which were adopted during depression years, the foreign exchange control board in the war years, all of which brought about a usage which was, on the face of it, at variance with the wording which was preserved on the currency. However, in this period the management of our currency compared very favourably with that of any other nation in the world. In this period there was the development of the Bank of Canada, the practices of the Department of Finance in working out the instruments of monetary and fiscal policy in Canada, which brought about certain practices which, in turn, have modified the original framework within which the legislation was drafted.

If we are to make changes we should not do it piecemeal and in this way. We should look at the entire context of the legislation which will be before the house when the recommendations of the Porter royal commission are implemented by the government. At that time we should look at those sections of the Bank of Canada Act and the legislation dealing with foreign exchange, and remove those particular sections which perhaps no longer are in keeping with our modern philosophy of monetary management.

But I think there is no great urgency to change the wording regarding the paper currency, which has been accepted as legal tender in Canada for some considerable time. If, at the time of revision of the act, it is the decision of the authorities to change it then I for one would be the last to oppose them, but I do not believe it is a good principle for hon. members of this house to propose legislation which is couched only in terms of semantics, which deals only in terms of wording, and which does not deal with policy and substance. For these reasons I hope the

house will not give favourable consideration to the hon. member's bill.

Mr. Andrew Brewin (Greenwood): I rise on this occasion, Mr. Speaker, to support my deskmate, the estimable member for Chicoutimi (Mr. Côté). I do not regard this bill as the most earth-shaking one that has been before this parliament, and I must say I was impressed by the moving plea from the hon. member for Carleton (Mr. Francis) to retain legal fictions no matter whether they are couched in a misleading form or not. He said, as any true and trusted Tory lawyer might well have said, "Let us retain these legal fictions," but I suggest that the hon. member for Chicoutimi has made a good case for his bill.

The hon. member has pointed to words on this currency which are misleading, and it is no help for the hon. member for Carleton to say that well informed persons are not likely to be misled, because after all this currency comes into many hands. There is already enough confusion and difficulty about matters of currency without the parliament of Canada perpetuating what is clearly a misleading statement, especially when the hon. member for Chicoutimi has given us an opportunity to express ourselves to the contrary.

Nobody believes for a minute that if he went to the Bank of Canada and asked to be paid gold coins for the money he presented, or asked to be paid anything for the money he presented, that he would be treated as anything but mildly erratic.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I rise on a point of order. Could the member for Greenwood (Mr. Brewin) not table the document to which he has just referred?

[*Text*]

Mr. Brewin: The document which I was looking at and reminding myself about is a purely personal document which I would prefer to retain. Mr. Speaker, I do not wish any members of the house to be misled. Much as I admire, and much as I enjoy the friendship of my deskmate, I do not mean to suggest that by supporting this particular bill I have been persuaded to adopt all of the economic and political theories which he espouses. I am trying, of course, to persuade him to adopt some of the economic and political theories that I espouse, but so far I do not know that either of us has been able to make much progress in that direction.

But even if this bill is a little one, let us deal with it. Let us not adopt this futile and unsatisfactory procedure of talking it out. If the hon. member for Carleton and other hon. members feel that this bill is unnecessary, then let us vote against it and throw it out. If, on the other hand, we are persuaded by what to me were the very cogent reasons advanced by the introducer of the bill, then let us pass it and not condemn ourselves to the continued futility of a debating chamber that never arrives at a solution on any particular problem.

The hon. member for St. Maurice-Laflèche (Mr. Chrétien), speaking from the government side, gained a great deal of well deserved credit for a bill he presented which was purely semantic in nature. The hon. member for Carleton seems to think this house should not deal with such matters; yet we dealt with them then, and in my experience that is the only bill that has passed through in the private members' hour.

Let us have the courage of our convictions. Let us either support this bill or throw it out. For myself, I hope that before long we will change the procedure in this house which requires members to spend hour after hour, day after day, week after week debating motions that everyone knows will not be passed. I doubt if a high school debating society would tolerate the continuance of such a futile and senseless procedure. I hope our committee on procedure will work out something whereby, if a private member's bill comes before the house, it will be dealt with.

Let the government of the day do one of three or four things. Let it say, "We do not want to support the bill." Then the bill will probably be defeated. Or let it refer the bill to a committee, in which case it can be looked into by other members of the house. Or let it say, "We accept the bill because we think it is a sound bill and we want to see it pass." But let us not go on month after month, year after year, with this futile procedure known as talking out bills. I am told this has a useful value in that it enables certain backbenchers on the government side to exhibit their rhetorical skill, but I doubt if that in itself is adequate reason to take up the time of the house.

Mr. Choquette: The hon. gentleman is making recommendations to amend procedure. He is not talking about the bill.

Mr. Brewin: I am not talking about the bill, but I am urging the house to change the procedure as a whole to deal with this bill in a manner consistent with the statements I am making. I say this is a little bill. It is not a very important bill. It is a semantic bill, but it is one which should commend itself to all those who prefer to call a spade a spade, and prefer not to say that money will be paid to the bearer when in fact there is no intention of paying money to the bearer.

I urge that instead of expanding this debate we proceed to vote on the bill. If we do, I know some of my colleagues will disagree with me. I speak for myself in this matter, and I for one am delighted to support the bill introduced by my friend and neighbour.

[*Translation*]

Mr. Jean Chrétien (St. Maurice-Laflèche): Mr. Speaker, first, I want to congratulate my hon. friend from Chicoutimi for having introduced this bill. In reply to the comment made by the previous speaker, the N.D.P. member sitting next to the hon. member for Chicoutimi (Mr. Côté), I entirely agree with him that our standing orders should be changed so that, from time to time, an acceptable bill could be passed.

There is one I had the opportunity to introduce and to have approved; I feel we took a step forward there. But, as regards the bill put forward by the hon. member for Chicoutimi, I should like to make a few comments and to point out to him that, even if I agree with the principle of his bill, it is clear that there is no possibility whatever at the present time, even if it is written on the dominion bank notes, "will pay to the bearer on demand", to go and exchange them for gold—even if this could be so prior to 1934. In spite of that, I think it is perhaps useless to change the wording which now appears on the dollars themselves.

On the other hand, I take the liberty of suggesting to my hon. friend not to put that bill aside because there are, in the report of the federal commission on banking and finance, that is the Porter commission, recommendations of that nature, particularly in chapter 22. Therefore, I think we should wait before studying that bill as well as all the other recommendations made by the Porter commission.

I am surprised, however, that while we are talking about the Bank of Canada, the hon. members for Lapointe (Mr. Grégoire) and Villeneuve (Mr. Caouette), who should make it their duty to be here, are absent.

Mr. Bélanger: Mr. Speaker, on a point of order. I would like to point out that the hon. member for Villeneuve is absent because he is in the hospital.

Mr. Chrétien: I am sorry, Mr. Speaker—

Mr. Pigeon: The other one, the hon. member for Lapointe?

Mr. Chrétien: I realize that there are only three members of the Ralliement Créditiste to discuss such an important matter.

Mr. Bélanger: Three against 12 Liberal members.

[Mr. Brewin.]

Mr. Chrétien: Of course, Mr. Speaker, I think that we should associate ourselves with the hon. member for Chicoutimi, but, under the circumstances, I would ask the hon. member to be kind enough to withdraw his bill until the recommendations of the Porter commission are discussed.

To come back to what the hon. member for Carleton (Mr. Francis), said to the effect that it was unimportant if changes were made in the wording of legislation, I think that, in some cases, it is necessary. And I would like to point out, Mr. Speaker, that we had a bill concerning a change of name from Trans-Canada Air Lines to Air Canada.

In view of the unanimous approval of that bill, I think that it was a step towards Canadian unity. I am saying this today, because, ever since the members of the house passed it, about two months ago, I had no opportunity to express my satisfaction in this house.

What surprised me most was to see the pleased comments in the press following the passing of that bill. That is why I do not intend to delay the business of the house any longer and I would like to give other members an opportunity of airing their views. I would not like to be accused of trying to kill this bill, to use a popular expression in this house, since I am in full agreement with it.

[*Text*]

Mr. Harold E. Winch (Vancouver East): Perhaps it is advisable and necessary once in a while to pass an hour just as we are passing this one. However, I am not being facetious when I say that, to me, it seems extraordinary we should be spending one hour tonight to discuss the changing of some words on our currency which 99.999999 per cent of the people of Canada do not even know about—words that do not make any difference.

Until the next House of Commons pay day I have three bills in my pocket.

An hon. Member: Will you table those documents?

Mr. Winch: One is a five dollar bill issued by the Bank of Canada. The second is a ten dollar bill issued by the Bank of Canada and the third is a twenty dollar bill issued by the Bank of Canada.

An hon. Member: A lot of money.

Mr. Winch: In the course of his remarks, the hon. member for Chicoutimi (Mr. Côté) made some statement about currency being printed in French and English. The bills I have in my hand are all in French and English. We are, now, at $12,511 an hour, discussing this subject. With my very powerful glasses I can now find in a little corner,

under "Bank of Canada" the following words: "Will pay to the bearer on demand". What is the importance of what that means? I am amazed that anyone who maintains he knows the principles of social credit and banking should ask that a change be made now. It appears that if you give five dollars to the Bank of Canada they will give you five dollars back. Well, turn a five-dollar bill in, and they will give you the five dollars back if you want it.

What is the importance of money? It is a medium of exchange and, as such, it is based on trust and confidence in our country. It means that if you give a service and are paid something, whether in paper or in metal, you can use it to buy shoes or pay rent, to buy clothing and to buy food. Money is not a question of infinitesimal words such as "payable on demand". It represents the trust felt by people that, having given a service and received something in paper or metal, they can turn round and get services or commodities back with it. Whether it is backed by gold here or in Fort Knox or in England or in Russia means nothing. Everything depends upon the confidence of the people in the paper they are given. Therefore, to make a change in infinitesimal words to the effect that if I turn in five dollars I get five dollars back does not mean a thing when it comes to the economics of Canada. Immediately the trust of the people fails, then, no matter what the wording is, our currency falls and deflation appears. Currency is based upon trust in our country, in its resources and in ourselves. The actual wording on a piece of paper, be it one dollar or five dollars or a hundred dollars or a thousand dollars, means nothing. If our country were to collapse you could have all the wording you wanted on the currency and it would still be gone. It is the stability of our country, of its economy and of its people, which means everything. This is why I rose this afternoon. I could not understand a member of the Social Credit party thinking that a change made in infinitesimal words would make any difference to the currency or banking situation of our country.

Of course, what really brought me to my feet was that my colleague from Greenwood (Mr. Brewin) should have risen to support such an asinine proposition.

Some hon. Members: Oh, oh.

Mr. Winch: Currency is not a matter of wording. Currency is trust. That is the basis of currency, whether it is gold or paper, or wampum as it used to be in British Columbia many years ago, or shells, as it was until a few years ago in Africa. What counts is the basis of trust in your exchange; it is not the wording, especially when you cannot even read the wording without the aid of a magnifying glass. Therefore, Mr. Speaker, I hope that as a result of the study that was made in the past two or three years by the royal commission on banking and finance, and as a result of studies which I know will be made by either special committees of the House of Commons or the Senate or, I hope, by a joint committee, that we will in the not too distant future get down to a real understanding of the meaning of money. I repeat, it is not gold taken out of one hole and buried in another; it is not infinitesimal wording on paper, but it is the confidence of the people in their country, its resources and, God help me, their government. That is the security of currency.

Under the previous government our money was completely devaluated with regard to international exchange, and it has been maintained at the same devaluation by the present government. But, sir, the wording of our currency, so infinitesimal, did not result in the people of Canada losing trust in their own money. I know I am repeating myself, but I do want to say that money, exchange, currency valuation does not depend on whether it is backed by gold or by silver; the valuation of money is trust in one's own country, its resources, and oneself. Therefore I cannot understand why a Social Crediter thinks he can change the world or change Canada by infinitesimal wording which, I say again, sir, 99.99 per cent of the people of Canada do not know is on the paper; because when they receive a dollar for their services, they anticipate a dollar's return—and that is the only true meaning of money.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I want to support without any reservation the bill introduced by the hon. member for Chicoutimi (Mr. Côté), and I believe it should be passed by this house right away. We should not wait for the government to take measures following the report of the Porter commission, because it does not have to accept a commission's recommendations.

What the hon. member for Chicoutimi means is that if we go to a bank, it is impossible to get gold pieces, and I think that, in principle, he is right, and that these words on our currency should be removed.

However, this does not mean that I agree with—

[*Text*]

Mr. Winch: Mr. Speaker, may I ask the hon. member where on a bank note does he find that you can get gold; and if he cannot get it, why does he want it?

[*Translation*]

Mr. Pigeon: Mr. Speaker, when the first bank notes appeared or were put in circulation in Canada, many years ago, if they carried such an inscription, it is precisely because it was possible to obtain bank notes in exchange for gold or vice-versa. But today it is impossible to get gold in exchange for bank notes upon request. Consequently, I feel that the hon. member for Chicoutimi is right in principle.

However, that does not mean I agree with the hon. member for Vancouver East (Mr. Winch) when he says that to delete those words could be harmful to our dollar and be interpreted as a lack of confidence in its soundness.

Mr. Speaker, our dollar is sound at home and it is recognized as a strong currency internationally. It was devaluated last year when we were in office, and the present government has maintained that devaluation which proved to be profitable for the Canadian economy, because when an European comes to America to buy products he will pay a dollar in the United States, but in Canada he will pay only some 96.5 cents for his purchases.

I think that the hon. member for Chicoutimi is right. However, we should not wait for the government to take action in line with the Porter commission recommendations, since the government can ignore that commission's suggestions, as I said earlier. But if the government does not want to take immediate action, it should at least show some responsibility and accept that this bill be referred to the committee on banking and commerce for consideration.

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, I shall be brief, precisely because I do not want to be accused of trying to kill the bill. However, I cannot do otherwise than stand up and say that I support the bill now before the house.

At the very beginning of my remarks, I should like to mention the observations made by the member for St. Maurice-Laflèche (Mr. Chrétien) merely to tell him that, at the present time, about 8 per cent of Liberal members are present in the house, when my party has 25 per cent.

And to revert to the matter under study may I mention that the main argument of those who are against the bill is that even if the words "shall pay to the bearer on demand" are in very small print, even if the type is very small, that is unimportant.

Mr. Speaker, when a lie is small, it remains a lie all the same. In fact, a lie remains a lie everywhere there is one. Furthermore, I call the attention of those who are against the bill to the fact that germs are very small, but sometimes also very dangerous.

Mr. Speaker, I feel that the hon. member for Chicoutimi (Mr. Côté) is quite right in claiming the cancellation of those words on our bank notes because, in the final analysis, they are a lie, which may become big, for I am convinced that if the hon. member for Carleton (Mr. Francis) became suddenly a bank clerk and was asked a dollar in gold for the dollar somebody would present him, because the bank said it would pay it to the bearer on demand, he would be rather confused and would really not know what to do. Of course, he could always propose, as suggested by the hon. member for Vancouver East (Mr. Winch) a while ago, to exchange a dollar against another dollar; but the dollar he would give in exchange would still be marked "will pay to the bearer on demand", and this could go on indefinitely.

Mr. Speaker, this inscription on our banknotes is nonsense. Moreover, I would like to tell the house that this incorrect writing on our bank notes probably reflected the out and out falsity of our present monetary system, and that is perhaps the reason why the public does not understand it. At least, in a general way, the public at large does not understand the monetary system, no more than it understands the writing on our bank notes.

The purpose of this bill is to point out something wrong on our bank notes. Whether or not the public understands does not change anything. The principle is there; it deserves to be pointed out.

The hon. member for Carleton stated that this should be left on our bank notes, in order not to break with tradition.

I think that, during the past few years, we have been breaking with traditions. Now, that one is absolutely useless from a point of view of efficiency and simply misleads the public generally, at least those who ponder on the matter.

That is why I heartily congratulate the member for Chicoutimi (Mr. Côté) for having raised the question. Even if someone tried a while ago to make us believe that the hon. member was a true Social Crediter and that we were not, I can tell the one who made that insinuation that ours is a Social Credit group, just as much as the other one.

Mr. Auguste Choquette (Lotbinière): Mr Speaker, I wish to congratulate the hon. member for Chicoutimi (Mr. Côté) on his excellent idea of submitting such an amendment to the house. However, if the bill comes to a vote, I must admit that I shall vote against it, not because of the principle on which it is based, but on account of the rather disquieting wording of the amendment. After due reflection, one realizes that it does not

convey the meaning intended by the hon. member. It reads as follows:

> The form and material of notes shall be subject to approval by the minister, but such notes shall not contain any wording which is misleading or which might deceive the public—

This might give the impression that the Minister of Finance is a counterfeiter. It is said that the notes shall be subject to his approval, but inasmuch as they do not contain any misleading wording.

I am convinced that the wording of this bill is rather disrespectful towards any minister of finance and I am sure that the hon. member for Chicoutimi did not intend, for nothing in the world, to show disrespect towards authority.

In my opinion, this wording is ambiguous and confusing and, for that reason I will not accept the bill as worded.

However, Mr. Speaker, I wish to point out that the idea embodied in this proposed amendment is excellent. The bill goes on to say:

> —which might deceive the public as to the true nature thereof, or of the obligations incurred by the bank in issuing them and all notes shall be printed in both the English and the French language.

The intent is quite generous; in fact, it is in accordance with the policy of the present government which has become the great advocate of bilingualism and biculturalism throughout Canada. Indeed, I should like to point out to the hon. member for Chicoutimi that it was under a Liberal administration, that of Mackenzie King, that currency became truly bilingual—

Mr. Pigeon: No.

Mr. Choquette: I see the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) getting up. We will again have droppings from the pigeon. I wish to prevent him from rising on a point of order, because he is going to say that it is Bennett who approved the principle of bilingual currency. Yet, it was Mackenzie King who gave us bilingual bank notes. Under Bennett, there were two kinds of currency, one English and one French, which was more or less a hiatus. But Mackenzie King rectified the situation, so that we have a currency which is truly and essentially bilingual.

Mr. Pigeon: It is the principle which was hard to get accepted.

Mr. Choquette: Especially when you are a Conservative and an imperialist, the application is difficult, Mr. Speaker. What I want—

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order.

Mr. Pigeon: The Bennett government accepted the principle of bilingualism for our currency. Once bilingualism is accepted in principle, it is easy to apply.

Mr. Choquette: Mr. Speaker, I should like to go on with my observations, since I only have a few minutes left. I wish to draw the attention of the house to the fact that we are now intensively considering the matter of a distinctive Canadian flag and I think the great majority of the Canadian people agree—

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

Mr. Speaker: Order.

Mr. Choquette: —on money—

Mr. Speaker: Order. Is the hon. member for Charlevoix rising on a question of privilege or on a point of order?

Mr. Bélanger: I rise on a point of order, Mr. Speaker. I wish to point out that the hon. member for Lotbinière is now discussing the matter of a national flag which is in no way related to the subject now under consideration.

Mr. Pigeon: He is often off the track.

Mr. Choquette: I am simply making a comparison. I am coming back to money. I do not want to hurt anyone's feelings. I respect traditions, whether they come from our English speaking or our French speaking friends. On the other hand, I have always had the deep conviction that, living in Canada, we want to be Canadians everywhere, in practice as well as in theory. That is why I think that with regard to our Canadian money, another form of bank notes could be found, according to the principle stated by the hon. member for Chicoutimi, and without offending Her Majesty. Why should we not have money that is fundamentally Canadian in substance and form? That is what I wanted to say in the debate on that very interesting bill, to which I cannot agree, however, because of its crushing phraseology.

[*Text*]

Mr. J. E. Lloyd (Halifax): Mr. Speaker, I think it is appropriate for a member to draw attention to the wording of Canada's currency as issued by the Bank of Canada.

Mr. Knowles: Will you table that?

Mr. Lloyd: There is no question whatsoever that the particular wording is in need of revision. Indeed, the royal commission on banking and finance says so.

Because of the time factor I should like to explain why I think this bill should not pass. It refers to amending section 21 of the Bank of Canada Act, whereas at page 556 of the

report of the royal commission on banking and finance we find these words:

> There are a number of points in the Bank of Canada Act which call for amendment besides those noted earlier in this chapter. For example, sections 22 and 23, which provide for the redemption of Bank of Canada notes in gold and the maintenance of a gold ratio, have both been suspended for many years and should be removed from the act.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the hour appointed for the consideration of private members' business has now expired.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock this day are as follows:

[*Translation*]

The hon. member for Lotbinière: impending closing down of radar stations.

The hon. member for Nicolet-Yamaska: request made by the cheesemakers of central Quebec.

[*Text*]

The hon. member for Parry Sound-Muskoka, action taken by the government to deal with the increase in the cost of living.

The house will now resume the business which was interrupted at five o'clock.

INCOME TAX ACT

The house resumed consideration in committee of Bill No. C-91, to amend the Income Tax Act—Mr. Gordon—Mr. Lamoureux in the chair.

The Chairman: It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. When the committee adjourned at five o'clock we were considering clause 19.

Mr. Gordon: Mr. Chairman, I have had an opportunity during the recess to consult with the law clerk about the very interesting point that the hon. member for Pontiac-Témiscamingue raised concerning the differences between the English and French texts. The law clerk agrees that there was an error in the translation and if the committee will agree he will undertake to see that this is corrected before the bill is reprinted for third reading. I think that might be a satisfactory way to deal with it.

Mr. Martineau: I think that the suggestion made by the minister is quite acceptable.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

The Chairman: Shall clause 19 carry?

Mr. Martineau: Mr. Chairman, with respect to clause 19 the minister said this afternoon that the reason why part IID of the act is being repealed is that the situation in the United States has changed because of the tax reduction assented to by the United States congress which will come into effect on the 1st of January next. I was a bit perturbed about the line of reasoning of the minister because I think it is dealing rather loosely with the situation when legislation adopted by this parliament depends on legislation being adopted in another jurisdiction, which legislation, of course, is subject to change without notice.

I do not understand how the minister can use the excuse of a tax reduction in the United States to justify his retreat from the withholding tax provision. Last year he increased the withholding tax from 15 per cent to 20 per cent for those corporations not meeting the minimum requirement of Canadian participation or equity ownership. That same situation exists today. If the minister still wishes to encourage greater Canadian participation, and he still does according to what he says, I do not know how he can hinge that objective upon the fact that lower taxes are being paid by United States corporations. I think the real reason for his dropping the provision, and he was well advised to do so, was simply that he found it was unworkable in every way. It was a provision that had not been thought out at all.

He mentioned carrots and sticks before supper. In the minister's heyday, when he was just assuming the responsibility which he now exercises with considerably greater sober second thought, he thought that by waving a big stick at the United States they would dutifully respond to his desires and give equivalent tax concessions. But things have not worked out that way and today we seem to have to depend on what is being done south of the border to know what sort of imposition we will adopt here.

Already thoughtful people have pointed to the real danger lurking in such an attitude, and which can only defeat the minister's own objectives. Perhaps the minister has already read the article by Peter Newman, who I understand is a good friend of those on that side of the house, in *MacLean's* of May 16, 1964. Mr. Newman had this to say:

During a Commons question period last summer, opposition leader John Diefenbaker thundered that as a result of the events of July 18-21—

Which he described as the great money panic and which, incidentally, was provoked in part by the action taken by the minister himself in his budget of June 13 last year.

—the U.S. "now has a veto with regard to the expansion of Canada's economy, which is something not in keeping with the sovereignty of this nation."

He went on to say that this certainly could well be the fact. If so it has sprung in no small way from the unconsidered action of the minister in shaking the big stick.

Mr. Gordon: I wonder whether the hon. member would permit me to say something. I am sure he would not want to give an incorrect impression. He must know that the secretary of the treasury of the United States made it very clear on more than one occasion that the announcement of the proposed equalization tax had nothing to do with anything that the Canadian government might or might not have done.

Mr. Martineau: The secretary of the treasury was certainly perfectly right in saying what he wanted to say, just as we are also perfectly within our rights in interpreting events, both national and international, according to the way in which we see them.

There remains the fact that the President of the United States has the right to exempt new Canadian securities from the application of the equalization of interest act. However, the act does not say he has to do so. The health of Canadian money markets will depend greatly on how he exercises this power. Certainly, in my opinion, Mr. Chairman, this is a very disturbing situation.

Here we have the minister backing up from a provision which was considered in his judgment to be one of the major elements of his program to win back for Canada ownership of its own industry, a provision which was introduced with a great deal of fanfare last year. This is bad enough, Mr. Chairman, but the minister goes further and attempts to justify that withdrawal by stating that events in the United States, which are completely beyond his control, led him to adopt this attitude. I am asking the minister, will we have to change our fiscal policy every time the United States government adopts a certain policy? I should like the minister to come out very frankly and tell us, if such is the case, that this withholding tax has proven to be impractical and has been withdrawn for that reason.

We can understand this because, from the outset, we urged the government to abandon the policy. During the short time this tax was in force, I should like the minister to tell us exactly how it worked, and whether the minister's officials were able to administer that tax. These are the basic factors in an examination of the clause to which we are directing our attention.

Mr. Gordon: I think my hon. friend is overlooking one or two points. In the first place, the tax to which he refers does not come into effect until January 1, 1965, which is still some time ahead, so that the department had no difficulty in administering it. I think perhaps that is the simple way to explain the difficulty my hon. friend seems to have been up against.

Mr. Martineau: Surely the officials of the department must have made some provision for the administration of the tax. They must have received inquiries from Canadian subsidiaries, and that would certainly be an administrative matter.

Mr. Gordon: The tax would have been administered very simply and very easily. Instead of deducting 15 per cent as a withholding tax, there would have been a deduction of 20 per cent.

Mr. Monteith: And we would not have had a recriminatory withholding tax of 30 per cent imposed by the United States?

Mr. Gordon: My hon. friend is thinking in terms of the treaty which, under certain circumstances, would have lapsed, and in which case we would have had a new set of circumstances. We are getting hypothetical.

Mr. Martineau: May I ask the minister if, in his negotiations at Washington to which he went in such haste when the equalization of interest act was introduced, there was any mention of this withholding tax? Was any agreement made to exempt Canada on the say so of the president, provided we took certain actions regarding the withholding tax?

Mr. Gordon: No, there was no discussion at that time at all and no conditions were made. I think it became clear to the United States authorities that they had overlooked the effect their rather startling action would have on money markets in Canada. I believe that they were probably as upset—perhaps "shocked" would not be too strong a word—as we were to learn that within 24 hours of the announcement of the proposed tax, which incidentally has not yet become law and which some people believe never will become law, there was a greater withdrawal from the Canadian foreign exchange reserve than in any similar period, even during the difficult days of the spring of 1962.

Mr. Martineau: Would the minister have preferred to have an exemption clause as part of the act rather than have it left to the discretion of the United States president?

The Chairman: Shall clause 19 carry?

Mr. Martineau: I have asked the minister a question.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I would have a few questions to ask on clause 20.

The Chairman: I am sorry, but we still are on clause 19.

[*Text*]

Mr. Martineau: I think the minister wanted to give an answer.

Mr. Gordon: I was asked about certain negotiations in July, 1963 with the secretary of the treasury respecting the proposed interest equalization tax. I have answered my hon. friend's question, that the question of the Canadian withholding tax, to my knowledge, did not come up at the time. He then asked whether Canada would have preferred complete exemption from the proposed interest equalization tax, rather than leaving the question to the discretion of the President. Of course, we would have preferred it. Here, we were confronted with a situation, as was the United States treasury, where a detailed proposal had been made to congress that a bill should be passed along certain lines. The secretary of the treasury, Mr. Dillon, after consultation with the President, decided that the best thing they could do over that week end, a very difficult week end, would be to say that they would recommend this exemption for Canada within the discretion of the President. It seemed to us at the time that since that was as far as they thought they could go, that would allay the fears in Canadian financial markets. Of course, when the announcement was made, those fears were allayed and Canadian markets have progressed to greater heights.

I can assure my hon. friend that, to my knowledge, there has seldom been more confidence in Canadian markets than there is at the present time. I am sure he will be delighted with this.

Mr. Martineau: I thank the minister for his information. I understand that in the haste of that memorable week end, that was all the Canadian government could obtain in the way of concessions. I wonder if since that time there have been further attempts made to have the exemption form part of the act?

Mr. Gordon: I do not know whether I can usefully pursue this line of questioning much farther, Mr. Chairman. Obviously, as my hon. friend knows, the Canadian government, particularly myself as Minister of Finance, are in touch with the United States treasury officials. My great concern at the moment is to find out what is going to happen to this proposed interest equalization tax. I have been trying to find out, ever since it was first announced, when, if ever, it is going to be passed, so we will know where we stand and Canada will not be up against the uncertainties with which we have been living for the last nine months.

Mr. Monteith: Ever since June, 1963.

Mr. Gordon: Oh, I would not go back that far; just nine months. In another field, of course, at the end of that period of time there is usually a solution of one kind or another. But we are still faced with a situation where we do not know whether this proposed tax will be passed by the United States senate before it adjourns for the elections that will be held some time next fall.

When I last spoke to him about two or three weeks ago, the secretary of the treasury was confident that this proposed tax would be dealt with by the senate before it adjourned in July. I cannot say anything more about it. I would remind my hon. friend that this particular clause 19 merely deals with the rescinding of a tax that has never been applied, and that becomes unnecessary because of the reduction in the rate of withholding tax that otherwise would have been increased next January.

[*Translation*]

Mr. Grégoire: Mr. Chairman—

[*Text*]

Mr. Nowlan: Could I ask the minister this—

The Chairman: Order, please.

[*Translation*]

Order. Is the hon. member rising to deal with clause 19?

Mr. Grégoire: Yes, Mr. Chairman, that is with both clause 19 and clause 20, since there is surely an indirect connection between the two.

I merely wish to ask the Minister of Finance a question concerning the special taxes on profits and dividends of non-residents which were decreed during the last year, to encourage Canadians to invest more and more in order to take over part of their economy, or a percentage at least of the shares of companies established in Canada. Could the minister tell us if, in addition to the special tax imposed to achieve his objective, he took other steps to have Canadian investments replace

the American investments which were being indirectly discouraged by special taxes for non-residents?

[*Text*]

The Chairman: The minister may want to reply to this question, but it seems to me it goes beyond the scope of clause 19 which, as was pointed out a moment ago, deals exclusively with the rescinding of a specific tax which actually was never applied.

[*Translation*]

Mr. Grégoire: Mr. Chairman, with regard to that clause or the other one, there is a very close relationship between the two, since they both deal with special taxes applied to non-residents, and I am of the opinion that the answer can be given with regard to one clause or the other, in view of the fact that I informed the minister that it was related to clauses 19 and 20 both. Therefore, the answer can be more elaborate.

But, in any case, I am ready to wait until the next clause to get an answer from the minister, although I think it is not in order.

The Chairman: I think it would be better to wait until we are dealing with clause 20 before the minister answers.

[*Text*]

Clause agreed to.

On clause 20.

Mr. Gordon: I shall be glad to answer my hon. friend on that. In the first place I should explain that if a withholding tax is levied on dividends payable by a Canadian company to a United States parent company, a large proportion of the withholding tax, or at least a substantial proportion, is allowed as a deduction from the taxes payable by the United States parent to the United States treasury.

While the amounts vary considerably, depending on the total amount of profit earned by the United States parent, and the total amount earned by the Canadian company, and whether the United States parent has other overseas subsidiaries in other countries, and with the amount of taxes payable by them. It is a fair generalization, however, to say that a withholding tax at the rate of 15 per cent has about the same net effect, when the top United States corporation income tax is about 48 per cent, as would a Canadian withholding tax of 20 per cent when the top United States rate is 52 per cent.

There are some minor variations, but that is essentially it. Therefore when the United States congress—as I explained in the budget speech—reduced their rates of tax, effective for 1964 and 1965, we concluded that the effect we had wished to achieve would be achieved with a 15 per cent Canadian tax, once the United States rate becomes 48 per cent, which will be on January 1, 1965, it would have about the same effect as would a 20 per cent tax in Canada when the United States rate was considerably higher.

[*Translation*]

Mr. Grégoire: Another question, Mr. Chairman, to obtain further particulars.

The Minister of Finance can perhaps try to make us believe that a 15 per cent tax is equal to a 20 per cent tax, but there is just the same a mathematical factor involved and 15 per cent is less than 20 per cent, since there is a difference of 5 per cent.

And now, Mr. Chairman, I would like to know if, while reducing by 5 per cent the tax levied on non-residents last year, the Minister of Finance is taking at the same time some measures which would enable Canadians to regain control of their economy, of their industries, of their manufactures and of their natural resources to a greater extent than at the present time?

I therefore ask the Minister of Finance whether he can tell us what are those measures taken by his department to compensate for the tax reductions appearing in his budget this year.

[*Text*]

Mr. Gordon: I think we may be straying a little off the subject but, as I said in the budget speech, the government intends to introduce amendments to the Insurance Companies Act, designed to encourage those great accumulators of the savings of the Canadian people to place a greater proportion of those accumulations into investments in the equities and natural resources of the country. I have been working with my officials on the form of these amendments which will be presented in due course and, while it would be improper for me to indicate in advance what the proposed changes will be, I think they will have the effect that I have indicated, over a period of years.

I might say that since beginning to work on this, the royal commission on banking and finance has brought down its report, and has supported the views of the government that the present restrictions on the kind of investments that insurance companies may make should be eased. That will be done when the amendments to the act are presented to the house.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I have another question for the Minister of Finance. Does he intend to consider the advisability of having

the Bank of Canada finance the constant deficits of the Canadian government, so that they would no longer be financed by the investments of the Canadian people? It is a known fact, at the present time, that the government issues bonds or obtains loans to finance its deficits and that the savings of Canadians are directed towards the national debt, whereas they would serve a much better purpose if used for the expansion of the country and the development of industries, so that the aim—

The Chairman: Order. I regret to interrupt the hon. member, but it seems to me that in discussing the matter of deficits and of the Bank of Canada, he is straying to a certain extent from the section now under study.

Mr. Grégoire: Think about it, Mr. Chairman, and you will realize that I am not getting away from the clause under consideration. In this section, we are asked to reduce from 20 to 15 per cent the special tax on non-resident which was levied specifically to give an advantage to Canadians who wish to invest their savings. The Minister of Finance now wishes to repeal that tax and we are at present discussing the provisions which will replace it. I feel my remarks are quite relevant, Mr. Chairman; perhaps they may seem out of order to a layman or to one who is not too familiar with the question, but the idea expressed is quite relevant.

As the Minister of Finance stated a while ago, the purpose of the tax established last year was to help Canadians achieve greater control of their economy. Now, this year, hardly a year later, the Minister of Finance makes amendments.

We wish to suggest to the Minister of Finance some systems, means and solutions in order to enable Canadians to obtain exactly what was anticipated by the objective set by the Minister of Finance last year, from which he is retreating this year.

That is why I am asking the Minister of Finance whether, in order to enable Canadians to regain control of their economy, to do what he himself proposed last year through the levying of a new special tax, he intends to facilitate for Canadians the taking over of their economy by directing their savings and investments toward industry and the development of the country's economy and balancing the deficits of the federal government through the Bank of Canada rather than through the savings and investments of Canadians, thus enabling them to get back control of their economy, such objective having been set last year by the Minister of Finance himself.

The Chairman: Order. I wish to point out to my hon. friend from Lapointe that even if I am only a humble layman, I listened to him with attention and I consider, despite the observations he made, that what he has said during these last few minutes refers the effects of the tax under discussion but is not directly related to the tax itself.

On the other hand, if the Minister of Finance wishes to make a brief answer to the argument presented, I am sure the committee will agree.

Some hon. Members: Agreed.

[*Text*]

The Chairman: Shall the clause carry?

Clause agreed to.

On clause 21—*Tax non-payable by non-resident person.*

[*Translation*]

Mr. Grégoire: Since the Minister of Finance did not want to answer my question concerning the non-resident special tax, I must conclude that on the matter of the non-resident special tax he is retreating, and he is not bringing any solution to the existing situation: he is retreating on this point and has no solution to offer so as to place the economy under Canadian control.

I believe that the silence of the minister in this respect is most significant.

[*Text*]

Clause agreed to.

Clauses 22 and 23 agreed to.

On clause 24—*Child qualified for family allowance.*

Mr. Gordon: On this clause, clause 24, I shall ask my colleague the President of the Privy Council to move, seconded by the Solicitor General:

That the said bill be further amended by striking out subclause (1) of clause 24, by renumbering subclause (2) of clause 24 as subclause (1) thereof, and by striking out subclause (3) of clause 24 and substituting therefor the following subclause:

(2) This section is applicable to the 1964 and subsequent taxation years.

Mr. McIlraith: I so move.

Amendment agreed to.

Clause as amended agreed to.

On clause 25.

Mr. Nowlan: This clause is so long as to be unspeakable. There is nothing one can say about it except to point out that it covers pages 19, 20, 21, 22, 23, and 24 of the bill and continues halfway down page 25. All the lawyers and all the accountants are looking forward to the enactment of this clause with the highest degree of anticipation because,

this time, the minister has done the reverse of what he usually does; instead of relying upon a general amendment he has become so specific that he has provided holes wide enough to drive a good many horses through. We could spend a whole evening on this clause but I do not think that would be advisable. It is something the courts will have to interpret. I think, frankly, that the clause is altogether too long; that it goes into altogether too much detail, and that it is likely to necessitate a good deal of interpretation by the courts. This, after all, is the policy of the government, and I simply say in passing that I do not think this clause is in keeping with the practice which should be followed by parliament. However, the minister is putting it forward and I do not intend to spend any more time in the committee tonight dealing with it.

Mr. Lambert: As my hon. friend from Digby-Annapolis-Kings has just said, this clause is an extremely long one. Frankly it amounts to locking a number of doors after so many horses have been stolen. I am concerned because, the ingenuity of man being what it is, by next year we may be faced with a similar problem.

The minister is trying to block certain loopholes in connection with the concept of Canadian ownership put forward in accordance with what I felt last year was a somewhat dubious plan fraught with all kinds of difficulties. One can readily understand what the hon. gentleman is trying to do. What we should do, I suppose, is ask the minister to explain this clause carefully to us—and I am sure it would take him half an hour to do so. However, since there are so many matters which should be dealt with, I shall limit my questions to subclause 4 and when we get to that subclause I will ask my questions.

The Chairman: Is there any discussion on subclause 1?

[*Translation*]

Mr. Grégoire: Mr. Chairman, following the remark of the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), I think I should also like to mention that this clause 25 contains a sentence worth pointing out. This sentence, which begins on page 19, fills all of page 20 and ends at the bottom of page 21.

The Americans may detain some world records, but to our Minister of Finance (Mr. Gordon) goes the honour of having made the longest sentence in the world, filling two pages and a half without a single full stop. I believe that this is a thing worth stopping for, and commending the Minister of Finance and his experts. I think that to build up a sentence two pages and a half long without a single period, needs men of genius, men of talent, experts in the art of syntax, and more particularly in the art of confusing others.

This is not the first time that we blame the Department of Finance for its somewhat overpowering phraseology. I admit that the Minister of Finance is not here to write poems or novels, but this is certainly worthy of the stream-novel, when there are sentences two and a half pages long.

I wonder whether the Minister of Finance —he was asked to do so last year, and we are asking him again this year—whether in future he might not ask his experts, writers or legislators to try expressing themselves in normal, more simple sentences and not to consider the taxpayer a mere nonentity, in brief not to write legislative texts only for the legislator himself, leaving the taxpayer entirely out of the picture, since he will never understand anyway.

Imagine the companies which will have to pay accountants or lawyers to interpret this sentence two and a half pages long. I think the minister should look after that.

That sentence contains many sections and subsections. The Minister of Finance should at least try to insert a period at the end of each section or subsection. It would then be easier to understand. The more so that we sometimes receive from departmental officials letters concerning income tax and referring to section 1, subsection 2 of paragraph (a) of subparagraph I.

Then, part of the sentence is missing. Suppose paragraph A is missing, and we do not have the other part of the sentence. Mr. Chairman, I do not think I have to insist on that. I think the Minister of Finance should realize that it does not make sense to have such long sentences and that the wording used should be improved in order that the act may be better understood, since the taxpayers have a hard enough time as it is to understand it. Those who draw up the bills should be reminded to write sentences in such a way that legal texts may be understood, and not to write such incomprehensible sentences.

[*Text*]

Mr. Gordon: Mr. Chairman, I think my hon. friend paid me a compliment for this effort in the art of long sentences and fooling others. Coming from my hon. friend, I recognize this comes from an expert—

Some hon. Members: Oh, oh.

Mr. Gordon: —and I thank him for his intended compliment. He asked me a few minutes ago, on another clause, whether the government had in mind doing anything to

encourage Canadians to acquire a greater interest in the resources and the companies of our country. While I am sure he would not expect me to give him a detailed reply on all the things that are being done in this field, I can assure him that this is very much in the mind of the government. When this new piece of legislation was introduced last year—it was not passed until December 4 or 5, if I recall correctly—the government invited the lawyers and the accountants who practise in the tax field to assist, with their suggestions, the staffs of the departments of finance, justice and national revenue in making sure that certain loopholes which had developed, and which could not have been foreseen, I would suggest, would be dealt with in an amendment as soon as possible.

The amendments in this clause which my hon. friend questions on the ground that they are very complicated—and they are—are the result not only of the deliberations of the staffs of the government's own departments, but also of the suggestions made by many, many tax practitioners. The government is in considerable debt to these gentlemen for the way in which they tackled this very difficult problem and for coming forward with suggestions for closing these loopholes. I do not pretend to be, and I know my hon. friend does not believe that I am, the draftsman of this legislation. I think it would be wrong for any minister to try and draft his own legislation. I think it is up to me, as the Minister of Finance, to ask the officials of the government, coupled with any other help I can get, to see that the section is drafted so that people cannot get around it.

While I am not suggesting for a minute that this provision is absolutely foolproof, I do suggest that to my best knowledge quite a considerable number of people who practise in this field feel it will now do the job that we want it to do. While I agree that it is very complex legislation, I would remind my hon. friend that this is not one of those sections in which the ordinary member of the public has any great interest. Corporate finance and corporate organization nowadays is getting more and more complex, and understandably, and necessarily I suppose, any tax laws that one wants to be foolproof are necessarily rather complex too. This clause will be used, or noticed, by a relatively few people in this country—the skilled tax practitioners. They are the ones who will be using this clause; they will be the ones who I hope will be advising their clients that this is the kind of legislation that they cannot get around.

I would like to take this opportunity to say that the intention of this clause, complicated though it is, is to prevent companies

controlled outside of Canada from receiving very substantial benefits indeed unless they comply with certain conditions, and one of the conditions is that they make at least 25 per cent of their equity stock available to Canadians.

Subclause 1 agreed to.

Subclauses 2 and 3 agreed to.

On subclause 4.

Mr. Lambert: Mr. Chairman, the hon. member for Perth and I are intrigued with subclause 4 as to why, in line 45, the figure 8 per cent is used. We are wondering whether this is an arbitrary figure, or what is the explanation for the use of 8 per cent? On page 24, line 8, the figure 10 per cent is used. I note that there is a classification of interest here, but why these two figures?

Mr. Gordon: Mr. Chairman, I can assure my hon. friend that I am delighted if at any time I can intrigue him and my hon. friend the member for Perth. This has made my evening. As to the questions, certainly these amounts are arbitrary. The figure of 8 per cent which was used in the first place was relatively high; I cannot think of many rates on a preferred share in excess of 8 per cent. With regard to the other example put by my hon. friend, this is the percentage which would apply in the form of a premium on a winding up, and I think there are examples where it could go to 10 per cent. Perhaps some would go higher, but I think they should be excluded.

The Chairman: We will now go to subclause 5.

Mr. Thomas: Mr. Chairman, with regard to the 8 and 10 per cent, what relation have these figures, if any, to the 10 per cent mentioned under (B) near the top of page 24? That is the 10 per cent; I follow. Then 8 per cent is mentioned again on page 25 under (A) and (B).

Mr. Gordon: That is the same. It is the highest rate which would be allowed on a preferred dividend.

The Chairman: Shall we go to subclause 6?

Some hon. Members: Carried.

The Chairman: Subclause 7?

Some hon. Members: Carried.

The Chairman: Subclause 8?

Mr. Knowles: Mr. Chairman, because this is the last subclause in the bill I wonder whether the minister, either now, on the title or on third reading, would answer the question I put to him when we were on second reading. He will recall that I asked

him what had become of his consideration of the proposal to extend the provision regarding trade union dues.

Mr. Gordon: Mr. Chairman, I did answer that question the other day. I said that I had been impressed last year and again this year during discussion of these income tax bills by the points raised by hon. members with regard to permitting deductions for logging equipment, some forms of farm equipment, such items as union dues and other expenses from income before arriving at the income which was subject to tax. I said that I felt that unless a complete examination were made of the whole problem, including all the different items of expenditure which should be considered in any serious examination of this question. I was afraid that if we dealt with one item, such as union dues, or one of the other items which other hon. members have mentioned, such as the cost of logging equipment or, in the case of a university professor, the cost of books, we would end up finding that we had done a rather cursory job. Therefore I felt that before recommending what should be done in this whole field I should like the benefit of the research which has been going on for the past two years under the auspices of the royal commission on taxation. For that reason I was not prepared to recommend a change at this time.

Mr. Knowles: Then we might hope for something next year.

[*Translation*]

Mr. Grégoire: Mr. Chairman, before completing third reading of this bill, I would like to ask the Minister of Finance if he would see to it that the Income Tax Act, like any other legislation, be applied as such, and not according to the good pleasure or the will of some income tax inspectors who violate the law as voted by this house and as proposed by the Minister of Finance.

[*Text*]

Mr. Gordon: Mr. Chairman, I cannot accept the allegation which has just been made by my hon. friend. I think that anyone who has anything to do with the Canadian civil service would not believe that the assessors of the income tax department would administer the law on the basis of caprice. It is a very difficult act to administer. I think all of the officials of the Department of National Revenue and the minister do their very best to apply the act fairly. I think that if the hon. member has anything further to say on this subject he might better raise it when the estimates of the Department of National Revenue are under review.

[*Translation*]

Mr. Grégoire: I merely want to refer to a comment the minister just made. He said the act was a very difficult one to administer. Then, since we are dealing with Bill No. C-91, to amend the Income Tax Act, why does the minister not consider this to be the proper time to make it easier for those who have to look after the administration of this Income Tax Act, so that the tax inspectors—and I am not talking about the civil service as a whole, as the Minister of Finance would have us believe—who do as they please (and I challenge even the minister to investigate) could have their task made easier?

It may well be that the act is difficult to administer, but then it is up to the minister to make an effort to have the act amended so it could be made easier to administer, and thereby prevent the officials responsible for its administration from being able to act to the prejudice of the people rather than to the satisfaction of the Canadian people who, in the end, are paying the taxes and suffering the vexations of the income tax. Maybe the act was poorly prepared. All the minister has to do, then, is to amend the act to eliminate those vexations suffered by the people.

[*Text*]

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time? Now, by leave?

Mr. Nowlan: Mr. Speaker, I had understood that there was some discussion this afternoon vis-à-vis some difference between the English and French translations, and I thought that was to be reconciled on third reading of the bill.

Mr. Deputy Speaker: Next sitting of the house? Agreed.

BANK ACT—QUEBEC SAVINGS BANKS ACT

EXTENSION FOR ONE YEAR OF AUTHORITY TO CARRY ON BUSINESS

Hon. Walter L. Gordon (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Bank Act and the Quebec Savings Banks Act to extend by one year the authority to carry on business for the banks to which these acts apply.

Motion agreed to and the house went into committee, Mr. Lamoureux in the chair.

Mr. Gordon: Mr. Chairman, I do not need to remind hon. members of the importance of

the decennial revision of the Bank Act and the Quebec Savings Banks Act. This provides members of parliament with an opportunity to review the whole financial machinery and structure of the country. It is one of the very important tasks which we face and which we are preparing to deal with.

As I have stated on another occasion, the government did not believe it would make sense or be helpful to consider the revisions of these two acts prior to the publication of the report of the royal commission on banking and finance which has been studying for the past two years the financial machinery of Canada, its workings, its strengths and its weaknesses. The report of that commission was published on April 24. It is detailed and lengthy and its recommendations cover a wide field and go to the very heart of the financial system of the country.

Mr. Fisher: Do you mean it is pretty good?

Mr. Gordon: The hon. member is trying to hurry me.

Mr. Knowles: He has written a column about it.

Mr. Gordon: He may have written a column about it but I cannot help him with his moonlighting operations on a matter of this importance.

Mr. Fisher: You already have.

Mr. Gordon: A report of the very great importance of this royal commission requires a great deal of careful study and thought on the part of the government and, indeed, on the part of all hon. members. Undoubtedly the government will be receiving representations from interested parties respecting the recommendations of the commission. But apart from that the government itself is giving the most careful consideration to the recommendations. We have already begun to hold meetings preparatory to reaching conclusions as to the kind of revisions that the government will wish to introduce. Much work has already been done in the Department of Finance and this will proceed during the summer months. Following this the government will be in a position to determine the kind of revisions to the Bank Act and the Quebec Savings Banks Act it wishes to present to parliament.

I am hoping these revisions can be made in time to be incorporated in bills which would be presented to the house some time next fall. I would hope and expect that the bills would be referred to the banking and commerce committee. If this course is adopted the banking and commerce committee will be in a position to hear witnesses and to consider the proposed bills in detail. I would hope that following such public hearings the bills would be referred back to the house and passed by parliament at its next session.

There will, of course, be ample opportunities, when the resolutions preparatory to the revision of these two acts are introduced, in the committee and after the committee makes its report, for hon. members to express their views upon the adequacy or otherwise of our banking system and ways in which in their opinion it may be improved to meet the needs of the Canadian people. If I may say so, I think it would be premature to embark on that kind of discussion until we have had the opportunity to study the royal commission report and until the necessary work has been done. In the meantime the banking business of the country must be continued.

It is therefore suggested that the Bank Act and the Quebec Savings Banks Act be amended to extend by one year the authority to carry on the business of the banks to which these acts apply. That is the whole purpose of this resolution. Without such an extension, of course, the chartered banks and the Quebec savings banks would have to cease operations by July 1 of this year. As I say, the extension proposed is for one year only.

I could go on to mention that there are precedents for this kind of action, the extension of the provisions of these two acts for a period of a year. This was done in 1911, 1912 and 1933 and there was another extension of three months, I think, in 1944. I think that is all I need to say, Mr. Chairman. It is a very simple resolution. The purpose is merely to extend these acts for one year from July 1, 1964.

Mr. Nowlan: Mr. Chairman, I know the committee has listened with interest to the statement of the Minister of Finance, and I can say that in so far as we in the opposition are concerned we are in entire agreement with him that some such action must be taken. Otherwise the banks would all have to cease operations on July 1, and that might be a matter of inconvenience to some hon. members at least and to a great many other people in the country as well.

We have a decennial revision of the Bank Act, but on this occasion a royal commission was appointed to consider the banking and financial problems of the country generally. That commission reported only a few weeks ago. I think it has made a very exhaustive study of the financial problems confronting this nation. Frankly I am not in a position, and I doubt that anybody else is, to comment on its recommendations at the moment. Those of us who have seen the report know that it is a very heavy legal tome of about 500

pages and that it requires a great deal of study. Obviously this could not be done in time for parliament to deal adequately with all the problems between now and July 1.

Therefore I think it is perfectly satisfactory that this resolution should be adopted and that a year's extension should be given. As the minister said, possibly by next fall we can enact the necessary legislation. Quite properly he is allowing some cushion there for discussion and debate, so that we have a year in which this matter can be dealt with by parliament. After all, the Macmillan commission in the early 30's was the last one to make a really thorough and intensive study of the problems of the banks of this country, and it is high time that we gave careful consideration to their problems again. This is what is proposed by the minister, and as far as we in the opposition are concerned we approve entirely of the procedure he has set forth.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, we in this party also heartily approve of the action of the minister in extending the time, because it is obviously necessary that it should be done. In considering the decennial revisions of the Bank Act it is interesting, as one looks back, to note the differing themes of each decennial revision indicating each time, I think, an increase in the knowledge of the operations of our monetary and banking system, and it is perhaps to be hoped that we shall also improve our knowledge this time. On the occasion when I had the privilege of taking part in the revision of the Bank Act some 10 years ago the proceedings almost took the form of a seminar in monetary and banking matters, which I know was extremely educative to me and I think to many other members of the committee. I am hoping it will be that way again.

There are some questions I would have liked to ask the minister. There are three bank charters that either have been before one section of parliament or are on the way, we are told, and I wonder whether the government has considered not granting any new charters until the decennial revision is completed. There are some very interesting developments there which will bear watching. There is the question of the position of a provincial government with regard to banking. I, myself, think it is rather a good development. My only misgiving is that it comes from my own province and I have some doubts about the personalities that will be involved.

I suspect that this type of decentralized banking, if it is agreed to by the government, will not stop with the province of British Columbia. It may well be that if it is established on a sound basis, and if these banks are supervised as carefully as the present chartered banks are by the inspectorate, they may very well make a great contribution to the country at this time. They may perhaps help to solve some of the financial problems that provincial governments have today, because they are struggling to get a larger share of the tax revenues, as we heard this afternoon. They will at least have this effect, that the deposits made by the citizens of the various provinces, particularly the western provinces, will then be available as a basis for extending credit for economic development in those provinces rather than, as has been the case, forming the basis for extending credit in the highly industrialized central part of Canada. This, I think, is a very useful role for them to play. It would be interesting to know whether the government is going to put all these applications on ice until the revision has taken place or whether they will consider going ahead with granting the new charters.

There are two other new charters for which application will be made. One is a private group seeking a bank charter in western Canada. The other is a strange application to transfer a small loan company into a chartered bank, or at least have it associated with a chartered bank. This is a proposition I find very intriguing, and I should like to know just what is behind it.

In so far as the Porter commission report is concerned I, like every member of the house, glanced at that heavy tome and staggered back, and have only been able to deal with a very small portion of it. I have come across some rather disturbing suggestions which I hope the minister will view with some alarm and misgiving, such as taking the lid off interest rates on bank loans and the suggestion that trust companies and other financial institutions that do not now enjoy the privileges of chartered banks be accorded bank status. This seems to be, in effect, the recommendation. Perhaps this might be a little confusing, and I hope these suggestions would receive very serious consideration before being accepted by the government of the day.

I believe that is all I have to say at this time, Mr. Chairman, on this extension of the time limit for chartered banks and for the bank of Quebec. Like many other members in this house, I hope to be a member of that committee. I am looking forward with great interest to the hearings before the committee on the revision of the Bank Act.

Mr. Thompson: Mr. Chairman, the proposal which the minister has placed before us concerns the renewal of the necessary authority for our banks to carry on their business for the next year. It is our intention for several reasons to support this recommendation by the government. First of all, as has already been mentioned, the Porter commission has dealt in much detail with banking and finance, and it is only fair that we should have the fullest opportunity to study the report of this commission. It is only fair, likewise, that there should be an opportunity for extended debate on those parts of the report the government intends to implement. Obviously, this cannot be done in a matter of weeks, and that is all the time that is left before the authority of the banks runs out.

However, Mr. Chairman, this whole question of the banks and the basis upon which our banks operate, is not just as simple as the few words which we have before us in this resolution tonight would lead one to believe. We have many economic problems to face in Canada. In fact, I think that the greatest problem we have to face in this house relates to the place of banking, so far as the economy is concerned. It is one of the most important aspects of the work of this house, and at this particular time, as this ten-year period in which the bank charters are valid comes to an end. I am convinced that the whole problem within our economy is closely related to this question of banking.

I will just mention three points that I think are fundamental in this regard, because it is our intention to carry this debate to greater lengths at the second reading stage. Our first problem, I think, is this problem of a continually mounting debt. This applies not only to personal debt but also to corporation and governmental debt as well. It comes back to this basic issue, that we operate under a debt system. In fact, the only money that we use today, apart from the change which might happen to be in our pockets, is money which comes into existence because someone incurred a debt. This is closely related to the functions of banks as they carry on the business of banking as we understand it today. We, in the Social Credit party, are not opposed to private banks in any way. We believe they perform a very important function in dealing with money. It is far more efficient, and certainly desirable, that private enterprise continue to carry on this very important function as it relates to distribution. On the other hand, we believe that there are very serious flaws in our system today that need to be adjusted and which relate to this whole question of debt, to the structure of our economy as it is related to debt.

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

The second problem we have in Canada that is tied very closely to this question of banking is the matter of international exchange and our economic relations with the outside world. This relates to foreign ownership in, and control of, our industry as well as the associated problems of our trade balance not only with the United States but with other countries. This question, therefore, enters into the whole picture of banking and into this whole picture of money as well. Unless this problem is solved, Canada is going to be placed in a most serious situation. Negotiations, such as those conducted at the conference that took place at Geneva during the past few weeks, are never going to deal with the matter in an effective way.

The third problem in our economy which relates definitely to this question of banking is based on this whole problem of automation and which is associated with the question of unemployment. These questions are now recognized as the most serious challenge to our present economic system and also to our banking system.

So, Mr. Chairman, not to delay the debate at this resolution stage I would say it is our intention to deal with these problems as they relate to the question of banking on the second reading of the bill, not because we want to delay this matter of renewing for one year, on a temporary basis, the licence under which the banks operate but because we regard it as very basic to these three problems I have outlined. Thus we are very happy to let the resolution pass on this understanding, again emphasizing the very great importance that the banking system plays in our general economy.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I would be inclined to succumb to the temptation of preventing the passing of any resolution or bill that would allow the study of or amendments to the Bank Act to be extended or delayed for a year so that, as indicated by the Minister of Finance (Mr. Gordon), the chartered bank operations or banking operations would be stopped as of July 1. I am strongly tempted to do that, because I anticipated that would happen then.

If the Minister of Finance would stop and think about it, he might come to the conclusion that it would not be such a bad thing to suspend all banking operations after July 1, not necessarily for an undetermined or indefinite period, but for a specified length of time.

Suppose that, this evening, the house votes against this resolution or still later votes against the bill, what would happen?

Unavoidably, those who have money in the bank would hasten to withdraw their deposit. If you had $500, $1,000 or $1,500 in the bank, you would withdraw it. But as concerns the individual who would owe the bank, who would have a note which would become due in three, four or six months, the bank would not be entitled to claim its payment immediately.

When banking operations would stop on July 1, if a note was due on July 5 or 10, the bank having ended its banking operations would not be able to claim the note from the borrower. What would happen then?

What would happen would be very simple: All Canadians with savings would become panic-stricken. They would say: After July 1, since there will no longer be any banking operations, I shall withdraw my savings.

There are supposed to be savings of about $12 billion in bank accounts. When I say $12 billion, I do not take into account the day to day operations, the clearing, or any cheques that might be deposited one day to be withdrawn from another account two days later. Therefore, there would be $12 billion deposited in bank accounts, and the Canadian people as well as companies, panic-stricken due to the fact that banking operations would stop on July 1, would hurry to withdraw their savings.

That is where the situation would become odd. Since there are only $2,300 million in currency and that, out of this amount, banks have only a reserve of about $900 million, it is obvious that when 8 per cent of the depositors would have withdrawn their savings, the other 92 per cent would come up against closed wickets, because there would be no more money in the banks. Such is the situation that would be created.

Since the passing of the Bank Act, in 1934, the federal government committed itself to supply chartered banks with monetary reserves needed to face urgent situations. Then, as soon as 8 per cent of Canadian depositors will have withdrawn their savings in banks, chartered banks, under their chart, would be entitled on July 1 to compel the Canadian government or the Bank of Canada to supply them all with the required reserves in legal currency to refund all depositors besides the first 8 per cent who would like to withdraw their deposits.

What would happen then? The Bank of Canada would have to supply reserves of legal currency to chartered banks. But it would do so by advancing its reserve, by lending to them or gradually paying off the debt of Canada against a remittance of the reserves in legal currency to chartered banks.

In this way the Canadian government would be in a position to pay about 70 or 75 per cent of its debt. We are aware that the debt of the Canadian government is the burden of this government, which has to pay $1 billion and almost $100 million interest on its debt this year. If we could get rid of 70 or 75 per cent of our debt, the government would have in its budget additional liquid assets of about $550 million, since it could pay back about three quarters of its debt.

Now, some will say: Yes, but at this time, since there will be a lot more money in circulation, a lot more currency, it might cause inflation.

To this I shall answer that there would be maybe more legal money in circulation, but the money supply in circulation would not be increased since, instead of having money from credit, we would have legal money. Since banking operations would not be allowed, the chartered banks could not multiply by 11 or 12 the legal money put in circulation by the Bank of Canada, so as to allow the chartered banks to meet the demands of their depositors.

At that time, there would not be any inflation and the depositors would not lose anything since the Bank of Canada would guarantee the deposits.

That is the absurdity of the present banking system; the chartered banks pay high interest rates but the Bank of Canada guarantees the deposits.

Should such a situation arise, the Canadian government would be able to decrease its debt by 75 per cent. That would increase the cash reserves but would not increase the money supply by one cent, because bank credit would be replaced by legal currency and the chartered banks would not have the right to multiply those amounts of money by 12, because there would not be any banking operations, unable to operate the banks, would also be unable to create new credit.

Under such circumstances, who should be pitied? The depositor? No. The depositor cannot lose a penny, because deposits made in chartered banks are guaranteed by the Bank of Canada.

Who would be the loser? Those who borrow from the banks? Not at all. We would only have to delay procedure until after July 1, and a great many people deeply involved in debts would at last be over the hump in their businesses.

You will tell me that someone, on the other end, will lose by it, but who? How many companies are forced to shut down, because the chartered banks stop supplying funds. How many firms go bankrupt because chartered banks too suddenly demand reimbursement of the loans incurred by those companies? Will the borrowers from the chartered

banks lose by it? No, because the banks, having stopped their banking operations, will not be able to demand reimbursement of the loans granted by them to various companies and individuals.

Who then will be the loser? Only one class of society, because the bank shares will drop. It is obvious that a share, which, today, is worth $40, $42, $48, or $50, will drop to $1, but what would this mean in the whole structure of financial operations in Canada?

It is known that the capital subscribed and paid to a bank is quite insignificant in comparison to its deposits, or loans, hardly 3 per cent in most cases. But, the holders of bank shares—since everybody should be protected—would have been served in 95 per cent or even 99 per cent of cases, because they held an amount of shares substantial enough to enable them to obtain loans; those loans would be frozen, even if they were losing on their shares. In that case, who else could lose? Nobody would lose anything, except for a time, while we would have no banking system.

If banking operations were suspended, let us say for a month as from July 1, everything could be started again, a more logical system could be built up, and nobody in Canada would lose.

As I have explained, nobody would lose, since the government guarantees such deposits to borrowers, and they would not lose, since the banks would stop their banking operations and could not claim those loans. The banks would cease to exist and the shareholders would not lose, since they would gain on the loans they themselves had obtained from the banks. The government would take this opportunity to pay three quarters of its debt by supplying reserves to the banks.

Nobody would lose, and this would allow us to find out immediately that our banking system is stupid, when we see companies, such as chartered banks, getting rich from the guarantees given by the Bank of Canada and the Canadian government.

This would allow us to find out that, for a credit of $13 billion, there is in the banks only $2,300 million in circulation. This would allow us to find out that money is not there, that only the credit is there, and that the credit is not controlled by society, as it should be, but that it is controlled by a handful of individuals, a handful of capitalists who have profit as their sole aim and objective.

While money should play a social part towards economic expansion and industrial and commercial development, while we should have a logical and sensible economic system in this country, while money should not be there like a wall or a brake in the way of all development, but should assist progress and service, and check distress in the midst of plenty. Therefore, let us again put an end to banking operations. That will make us realize that money, that the monetary system now existing, is a system designed in terms of the profits of some individuals at the expense of the whole society, while the monetary system should be the reflection of the economic growth, of the development of the country's resources.

Money does not play the role it should because it is monopolized by some capitalists for their own profit, so that they can maintain the people in hardship when they wish to do so and they can prosper in wartime when guns have to be produced. There is an opera aria which says:

Le veau d'or est encore debout
Et l'on sent sa puissance d'un bout du monde à l'autre bout
Perché sur son piédestal
Satan conduit le bal.

Mr. Chairman, I realize that the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) is not familiar with such opera excerpts. It is Mephisto who sings that aria:

Et perché sur son piédestal
Satan conduit le bal

That is still the situation today. The golden calf is still standing. Finance still controls the Minister of Finance and the government, because when you have deficit after deficit, as there has been for several years and from the very beginning of confederation, they have to crawl before financial interests, in order to obtain credit, because that credit is controlled by chartered banks and is not produced by the work of the people. This credit is not created by the work of the people, the production of our industries, the result of our trade, of our development and of our natural resources.

How is it that everything is left in the hands of a few who take for themselves the profit of a whole society, by the creation of credit that the government must place at the disposal of the society? We have in the monetary system perhaps the major source of income, and that is strange indeed, since it is a credit which cashes in on the work and production of other people—

[*Text*]

Mr. Winch: Don't you lose your train of thought when you talk so much?

Mr. Grégoire: Better to talk too much than not at all.

[*Translation*]

There is one who asks me whether I shall not lose my point by talking too much. There are some people who are slow learners and

to whom the same thing must be repeated over and over again. Finally, there are others who will never understand. It is useless to sow carrots on a rocky soil, because they will never grow.

We repeat the same ideas, because we hope that among the authorities in Canada, there are some who have enough logic to understand that our monetary system is illogical and defective and who have enough determination to organize and reform that system and provide us with a better one.

Mr. Chairman, at this time, we are asked to accept a piece of legislation extending for a year of banking operations. It seems to me that this legislation will be passed with or without our help, since in this house the majority approves those banking operations as they exist at the present time.

Now, a one year extension will allow us to scrutinize our system in order to make the necessary reforms.

The Minister of Finance was talking about referring the whole matter to the committee on banking and commerce. I should like the minister to tell us when that committee on banking and commerce will convene to study and analyse the documentation that will be submitted to it, among which the Porter report and other documents, in order to make a serious and detailed examination of our monetary system, so as to improve it as much as possible to meet the wishes of the Canadian people.

It would therefore be a good thing to know when that committee will meet, to try and finish the work on time, so that next year we shall not be faced with another request to delay the matter for one more year, because this has got to be done as quickly as possible. We, of the Ralliement Créditistes, have very timely and logical suggestions to make to that committee, for the overhauling, the reform of the Bank Act, so that the government might regain the control of what is perhaps the most important thing in Canada, because it includes everything else, that is the control of credit, which is the sign of the national wealth of our production and our work.

Mr. Chairman, we shall wait and see the text of the bill which will follow the passing of the motion for second reading, and I am asking the Minister of Finance to see to it that the sentences are not longer than a page if possible. Two pages and a half for a single sentence is really too long. One page would be an improvement, and if the minister could succeed in making his sentences half a page long, he would be congratulated; this would be something that would be unusual. When this bill would come up for consideration, we could more easily make our suggestions.

Mr. Chairman, by concurring in the resolution or the bill which will follow, it is realized that chartered banks are given an extension of a year, because if the bill were not concurred in, the chartered banks would cease to operate on July 1, and this would mean losses for certain big capitalists.

But if we said: "All right, you will be allowed to go on for a year, but Social Crediters ask that you keep 100 per cent liquid assets. That makes sense maybe. In the year allowed to you, we will not go as far as 100 per cent, as required by Social Crediters, but try to keep 25 per cent of liquid assets. It would only be a quarter of what they ask, but try to do it".

Then, the Bank of Canada could make up the difference between 8 and 25 per cent, that is 17 per cent. The Bank of Canada would take the place of chartered banks and, rather than going out of business, they would be glad to continue their banking operations with only 75 per cent of their privileges, instead of 92 per cent, as at present.

Consequently, if the Minister of Finance wants to allow the banks to carry on their banking operations for a year, I suggest to him that he should impose certain conditions which would be to the advantage of the Canadian government, letting the Bank of Canada perform certain duties which are discharged at the present time by the chartered banks.

As an illustration, I could point out the financing without interest of public developments, the building of schools, of universities, hospitals, bridges and roads.

And during that extension of one year granted to the chartered banks, the Bank of Canada might be able to take over and to finance without interest those public works, because its objectives would be to make a profit like the chartered banks.

When the time comes to pass the bill in its final form, it is impossible then that the tests we are suggesting will have shown themselves very beneficial to the Canadian people and will have made it possible to save not only the Canadian economy but also the Department of Finance which is getting bogged down in debt it will never be able to repay under the present system, a debt on which the interests keep piling up and which must give an unremitting headache to the Minister of Finance, since the interest on the national debt is much higher than the budget deficits and hurts our country's expansion.

Mr. Chairman, I ask the minister to take my remarks into consideration before introducing the motion preceding the second read-

ing of his bill to give a year's delay to the chartered banks. In fact, they are given a year's grace. Instead of closing them down completely, we give them a year's grace. Before granting them a new charter, and after close consideration, we should make some tests that might benefit the Canadian people.

[*Text*]

Mr. Olson: Mr. Chairman, the resolution before the committee tonight is to grant an extension of one year to the charters of the chartered banks in Canada. This house has been led to believe that the reason for this extension is that the Minister of Finance, together with other members of this house, wants to take into consideration the findings and recommendations of the royal commission on banking and finance before we review and amend the Bank Act. I want to say to the Minister of Finance at this resolution stage that the report of the royal commission on banking and finance has some recommendations and suggestions in it that are completely unacceptable to this party. I want him to know, also, that there are a number of suggestions in the report that are in fact new, that we have not seen before and that we think would be of advantage to the country if adopted.

I think it is therefore valid for members of the committee to centre their remarks around what is contained in this report, because up to this point at least the reason the bank charters are being extended at all is that the Minister of Finance and others wish to have time to give consideration to what is contained in the report. On page 8 of the report the commissioners say this:

> A creative financial system is one which does not just passively accommodate the usual—instead, it is one in which active and inventive efforts are constantly being made to meet the sound requirements of lenders and borrowers, regardless of how untried and unusual such needs may be.

They go on to say:

> A spirit of vigorous, restless innovation in the financial system—of devising new ways to do new things rather than of justifying why they should never be done at all—can ordinarily best be achieved in conditions under which the participants are not prevented from responding to changed opportunities, in which price and other competition is too intensive to be comfortable, in which there is relative ease of entry for honest men with ideas and imagination, and in which different classes of institution can compete with each other on an equitable and open basis.

That is, I suggest, rather multiple, but at the same time I am happy to see that the commissioners who inquired into the financial and monetary system of Canada have at last come back to parliament and recommended at least, if nothing else, an idea that will allow this country to use the physical limits of its resources as the basis of our standard of living and prosperity, rather than using the old, worn out, antiquated financial system that has consistently tried to tell us why we cannot do certain things. So it is refreshing, if nothing else, to see that the commission have come back to parliament and recommended, if I may quote again:

> A spirit of vigorous, restless innovation in the financial system—of devising new ways to do new things rather than of justifying why they should never be done at all—

In the view of those in the Social Credit party, Mr. Chairman, this is a new departure that ought to be considered by this parliament and ought to be promoted, particularly when we think of Canada and know that it is a country with perhaps more natural resources per capita than any other country or any other area in the world. I said that while there are some good suggestions in this report I think I should draw to the attention of the Minister of Finance that one or two other suggestions that have been made—and recommendations, I may add—would lead a reader to believe that perhaps the commissioners have not gotten out of the age that has gone by. However, Mr. Chairman, before coming to that point I would point out that the commission also argues that the pattern of government regulation in relation to the banking and monetary system is no longer well suited to the country's needs. I could not agree more.

So that the Minister of Finance will be familiar with those matters that we are going to raise at a later stage when the bill is before us, I would like him to—

The Chairman: Order. I hesitate at this point to interrupt the hon. member for just one moment. The question I have in mind now is whether the hon. member at this point, by going into the details of the royal commission report, is not anticipating future debate. To my mind what we are now considering is simply the extension of the Bank Act for a period of one year, and it seems to me we are going beyond the terms of that act when we study in detail the report to which the hon. member has alluded. I quite agree with him that there is nothing wrong in making some references to this report. However, I do not think it is relevant at this stage in any event, or perhaps not even at a later stage, to go into the details of the report of the royal commission.

Mr. Olson: On the point of order you have raised, Mr. Chairman, I would remind you that this resolution would not need to be before parliament had the government taken its responsibility to review and amend the Bank Act within the mandatory 10 year

period. The reason we have been given by the Minister of Finance and the other members of the government—I am not suggesting it is not a valid one—is that they were waiting for the report of the royal commission on banking and finance, which commission was appointed, I believe, on October 18, 1961. Therefore the whole basis of the resolution before us tonight arises from what is in the report and the desirability, if I might call it that, for members of parliament to consider what is in the report. I would bow to your ruling but I think there is nothing more central to the basis of the debate than what is in the report.

The Chairman: I am inclined to disagree with the hon. member to some extent. Perhaps it is not necessarily because of the report that we have delay. It is because there is a report which has been made which I assume the government wants to study. I feel, and my opinion has not changed, that if at this stage we went into the details of the report and if all hon. members chose to study the details and recommendations of the report in the course of debate, such procedure would be irrelevant so far as the resolution before the committee is concerned.

Mr. Olson: Mr. Chairman, I hope I will not be prevented from drawing to the attention of the minister some of the findings and recommendations contained in the report, those with which we agree and those with which we diametrically disagree. Whether we do this in this debate or at a later stage, I cannot help feeling that the whole reason for having the debate at all is because the report is before us. If we are not going to use the report as the basis for this debate, then I think it is almost senseless to extend the bank charters for one year. Because if we were now prepared to go ahead on the basis of reviewing the bank charters and amending the Bank Act without taking this report into consideration, we could probably get on with it and we would not need this delay at all. Our party has agreed not to prolong the debate at this stage. However, we intend to go into this matter more deeply at the second reading stage. I will not go further into the report at this stage, but I should like to have it made perfectly clear that for the reasons I have outlined the members of this party will not be prevented from making reference at a later stage and I might add detailed reference, to some of the findings and recommendations in the report.

The Chairman: Perhaps the hon. member will agree with me that I can deal only with what is before me and before the committee at the moment, and that is a particular resolution. I cannot give him the blanket undertaking or commitment that he will be allowed to discuss anything he chooses when we reach second reading stage of the bill.

[*Translation*]

Mr. Grégoire: Mr. Chairman, will your ruling out of order any reference to the Porter report at this stage be used as a precedent when we come to the motion for second reading of the bill to be introduced following this resolution?

If that is the case, I feel it would be worthwhile to discuss the whole matter to determine whether it is connected to the motion for second reading of the bill because we also intend to quote from the report on second reading, considering that that will facilitate the suggestions we wish to make concerning the amendments to the act.

The Chairman: I can only repeat what I have just said to the hon. member for Medicine Hat (Mr. Olson), that I can only make a ruling on the subject under consideration.

We are now dealing with a resolution to amend the Bank Act and the Chair cannot rule on anything which may happen later, in the house or in committee. At this time, the Chair can only rule on present proceedings.

[*Text*]

Mr. Douglas: Mr. Chairman, on the point of order I hope you will think this matter over before we get to second reading of the bill and the committee stage. It seems to me that the suggestion you have made is completely untenable. If I understood the Chair correctly, you suggested that the royal commission report on banking and finance is something about which the government will probably be bringing down legislation at a later date, and the whole report can be discussed at that time. That is an assumption which is not warranted. This committee is concerned only with the matter before it, which has to do with extending the present bank charters. In discussing that question the whole matter of banking is surely open for debate. Certainly the Porter commission report, which is a public document, can be quoted by members and discussed by members in reviewing the whole question of banking legislation. I hope Your Honour will not cling to this as a ruling, because I think it will become a much more extended matter when we get into the legislation itself.

The Chairman: If I were to make a ruling at this moment with regard to something which was to come up for consideration at a later stage, that ruling would have no validity. The only thing the Chair can do is to rule on something before the committee

at the moment, and the ruling I was attempting to make was simply that at this particular stage we should consider, by virtue of standing order 59(2), strictly what is before the committee. My opinion was that at this stage, without committing the Chair as to what might be decided or ruled upon later, we should try not to go into detailed study of the report.

Mr. Olson: Well, Mr. Chairman, as I stated we had agreed to allow the resolution stage to go through tonight, but apparently there is some controversy as to whether the scope and latitude allowed in subsequent stages of this debate will be broad enough so that we can dicuss the Porter report. Therefore on the basis of that I should like to call it ten o'clock, because at least on resolution stage one has a wider latitude than when discussing the bill. Therefore I should like to call it ten o'clock.

The Chairman: It being ten o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the acting house leader for an outline of the business for the next three days.

Mr. MacNaught: Mr. Speaker, tomorrow we will take second reading of Bill No. S-17, an act respecting the territorial seas and fishing zones of Canada. Then we will take the resolution preceding a bill to amend the National Housing Act. On Thursday we will consider interim supply. When the consideration of interim supply is completed we will go on with the items not concluded tomorrow. Then we will consider the resolution preceding a bill to amend the Export Credits Insurance Act and the resolution preceding a bill to amend the Farm Credit Act. On Friday we will take up the estimates of the Department of External Affairs.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I had a question to ask. Does that mean that we will not start tomorrow—

[*Text*]

Mr. MacNaught: There is one exception. Tomorrow we will start with the resolution we were on this evening.

Mr. Churchill: And the third reading of the bill to amend the Income Tax Act.

Mr. MacNaught: And the third reading of the bill to amend the Income Tax Act.

[The Chairman.]

PROCEEDINGS ON ADJOURNMENT MOTION

(Subject matter of questions debated under adjournment motion).

A motion to adjourn the house under provisional standing order 39A deemed to have been moved:

NATIONAL DEFENCE—QUEBEC—CLOSING OF RADAR STATIONS

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, a few years ago, the federal government established a radar station in the riding of Lotbinière, in St. Sylvestre, to be more exact. I wish to commend the present government for having decided to cut defence expenditures because, as everybody agreed, they were excessive and needed to be drastically reduced.

Under the new policy of the Department of National Defence, which is based on Canada's new needs, several radar stations have been closed down and among them is the station at St. Sylvestre, in the riding I have the honour to represent here.

Mr. Grégoire: There is also the station at Parent.

Mr. Choquette: Mr. Speaker, I—

Mr. Pigeon: Mr. Speaker, may I be allowed to put a question to the hon. member for Lotbinière?

Mr. Choquette: Mr. Speaker, when I am through with my statement, I will be glad to give an answer to the hon. member.

Mr. Pigeon: Is it true that the Prime Minister has forbidden the hon. member for Lotbinière to deal with this question?

The Deputy Speaker: Order.

Mr. Choquette: Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm has for some time made all kinds of assertions without any definite source of information.

Mr. Grégoire: That is true.

Mr. Choquette: He builds his assertions on idle hypotheses and I should like to ask him to be more serious and to show himself worthy of his title of member of parliament.

Mr. Pigeon: My source of information is accurate.

Mr. Grégoire: The member for Joliette-L'Assomption-Montcalm is talking through his hat.

Mr. Choquette: I have never received orders from anyone and much less from the Prime Minister, for if there is a man in this

country who respects democratic liberties, he is none other than the Prime Minister, who asks that everyone should express their views frankly and clearly.

Mr. Pigeon: God save the Queen.

Mr. Choquette: Yes, I agree perfectly with the hon. member for Joliette-L'Assomption-Montcalm: God save the Queen, also, God save Canada as essentially Canadian and not as colonialist, Mr. Speaker.

Now, here is what I want to say concerning the St. Sylvestre's radar station that has been closed—

Mr. Grégoire: And also the one in Parent.

Mr. Choquette: —following the decision of the Department of National Defence. Consequently—

Mr. Grégoire: Do not forget the radar station in Parent.

Mr. Choquette: Mr. Speaker, would you, please, call to order the hon. member for Lapointe who always makes futile and unfruitful remarks which lead nowhere. I should like to make myself heard in a peaceful atmosphere.

Mr. Grégoire: Mr. Speaker, I just want to remind the hon. member for Lotbinière that it is also proposed to close the radar station in Parent—

Mr. Deputy Speaker: Order. If the hon. member for Lotbinière wants to go on with his remarks I would suggest him to make them right away, because he has only seven minutes left.

An hon. Member: Long live the Queen.

Mr. Choquette: Mr. Speaker, I see there are strong partisans of Her Majesty the Queen in the house.

The radar station of St. Sylvestre, as in the case of other stations in the country—

Mr. Grégoire: Now what.

Mr. Choquette: —following a decision made by the Department of National Defence, will be closed presently.

That radar station in Lotbinière county no doubt revitalized local economy and favoured local prosperity. And now, after ten years of a relative prosperity resulting from the establishment of that radar station which had attracted many outsiders to settle down in St. Sylvestre thus contributing to the local economy, pursuant to a warranted decision, I will admit, because military expenditures have to be cut down, the local economy of St. Sylvestre will be greatly affected—

Mr. Pigeon: Mr. Speaker, I should like to ask the hon. member a question.

Mr. Choquette: —I feel it is my duty to intervene on behalf of my constituents to ask the Minister of Industry—

Mr. Pigeon: Mr. Speaker, may I now put a question to the hon. member for Lotbinière?

Mr. Lambert: Let him come to the point.

Mr. Choquette: I would ask the Minister of Industry whether he has a special policy to announce concerning the people of those localities which had benefited tremendously from the radar stations installed there.

In our election platform, as well as during the election campaign, we strongly advocated the industrialization of rural areas both in Quebec and in Canada as a whole—

Mr. Fisher: And Ontario too.

Mr. Choquette: —and particularly the province of Quebec. We must industrialize them.

As a representative of a rural constituency, I am in a position to see the crying need to restore our agriculture and to stimulate the economy of our rural areas.

Consequently, Mr. Speaker, I ask—

Mr. Pigeon: Mr. Speaker, I should like to ask the hon. member for Lotbinière—

Mr. Deputy Speaker: The hon. member for Lotbinière has the floor and he should not be interrupted.

Mr. Choquette: —consequently, Mr. Speaker, I believe that if we have a Department of Industry that has actually been set up by this government, and for which it deserves warm congratulations, and if it is in a position, as I am sure it is, on account of the ability and great experience of the man who is heading it I think that the federal Deparment of Industry—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him is now up.

Mr. Choquette: Mr. Speaker, I rise on a point of order. I do not think that I spoke seven minutes, because I was constantly interrupted—

Mr. Deputy Speaker: I regret, but the time allotted to the hon. member is now up.

Mr. Choquette: I wonder whether, with the unanimous consent of the house, I could proceed with my remarks for two minutes.

Mr. Grégoire: Mr. Speaker, we are pleased to allow the hon. member for Lotbinière to go on heaping praise on the Minister of Industry, because he deserves it. We agree, Mr. Speaker.

Mr. Pigeon: On condition that the hon. member for Lotbinière will allow me a question.

Mr. Grégoire: No, no questions allowed.

Mr. Choquette: Mr. Speaker, if the hon. member for Joliette-L'Assomption-Montcalm wants to ask me a question about a distinctive flag for Canada, I shall allow him to do so later.

Mr. Pigeon: It is about the Queen.

Mr. Deputy Speaker: Order. Would the hon. member for Joliette-L'Assomption-Montcalm please resume his seat? Would the hon. member for Lotbinière do likewise? I must remind hon. members that during this debate, the length of their remarks is strictly limited. If we were to allow an extension of the speeches and the remarks made in the house either by the members who have questions to ask or by the ministers who answer them, in my opinion, we would go against the very substance of this debate.

I think that the hon. member for Lotbinière has used up the seven minutes granted to him under the provisional order and I would now ask the Minister of Industry to rise.

Mr. Choquette: Mr. Speaker, I asked for the unanimous consent of the house.

Mr. Grégoire: Granted.

Mr. Pigeon: Granted.

Mr. Deputy Speaker: I am sorry but the hon. member did not get the unanimous consent of the house.

Mr. Choquette: But nobody objects to it, Mr. Speaker.

Mr. Pigeon: Only the Queen is against it.

Mr. Deputy Speaker: I can say to the hon. member that I hear dissenting voices near me.

Mr. Choquette: I do not think there were any, Mr. Speaker, I have the impression—

Mr. Deputy Speaker: Order.

Mr. Choquette: —that the acoustics are bad, because there were not any dissenting voices. Mr. Speaker—

Mr. Deputy Speaker: I would ask the hon. members to resume their seats. It was suggested that the hon. member could continue if he had the unanimous consent of the house; he did not get it and I must now ask the Minister of Industry to reply to the hon. member.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the hon. member for Lotbinière (Mr. Choquette) has drawn the attention of the house to what in the view of the government is a very important question. As all hon. members are aware, a considerable number of large installations are in the process of being closed down by the Department of National Defence.

With a view to ensuring that the transition from national defence operations to some other useful purpose is as rapid and smooth as possible, the government has charged the area development agency, which comes under the jurisdiction of the Department of Industry, with the responsibility of canvassing all the possibilities there might be of making effective use, in the national interest, of these installations which are being closed down.

The radar station at St. Sylvestre is one of these to which the area development agency has, since it learned the Department of National Defence was closing it down—and I add parenthetically it has not been closed yet—directed its attention to exploring the best possible uses to which it can be put.

To this end a canvass is made of all the federal government departments. Subsequently a canvass is made of all the relevant provincial government departments. Third, a canvass is made of municipal efforts or municipal organizations, and finally private industry. In the case of St. Sylvestre it has been determined to date that there is no federal government utilization that could be made of these facilities.

Discussions have been under way for some two weeks with the government of the province of Quebec with a view to canvassing the possibilities of using the radar station at St. Sylvestre for institutional or other purposes. I am glad to tell the hon. member that we have not yet exhausted all these possibilities.

Finally there does remain a possibility, which the area development agency is exploring, of making use of these facilities by private individuals, or a private organization, for recreational purposes in the general interest.

Mr. Deputy Speaker: I have to interrupt the minister to tell him his time has expired. The hon. member for Nicolet-Yamaska.

AGRICULTURE—CHEESE—ANNOUNCEMENT OF SUPPORT POLICY

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, last Thursday I asked the Minister of Agriculture the following question:

> Mr. Vincent: Could the Minister of Agriculture tell us whether he has received a request signed by the cheese producers of central Quebec areas regarding that new policy he announced to the house on April 29 of this year? If so, has the minister any comments to make?

The new policy was announced by the Minister of Agriculture last April 29 and it

came into force a few hours later. As I stated last Friday, it should have been announced at least 15 days before the new year. Following that announcement, Canadian producers, especially those of the eastern part of the country, had to send petitions and requests to the Minister of Agriculture in connection with the new policy. That request, which deserved the immediate attention of the federal authorities, was signed by producers who sell a total of 3,202,884 pounds of cheese on the local market.

Because of the new policy, they had to raise the retail price of cheese by 4 cents a pound on the local market; this constitutes an increase of $128,155.36 for consumers.

The following people signed the request:

Marcel Descôteau, of St. Grégoire de Nicolet, Paul-Émile Dionne, the farm co-operative society of St. Germain, Drummond county, Marcel Lemaire, of St. Cyrille, Drummond county, François Richard, of Kingsey Falls, Gérard Grenier, of Victoriaville, Henri Provencher, of Princeville, and Félicien Lemaire of Ste. Perpétué, who have sold, as I said, a total of 3,202,884 pounds of cheese on the local market. Allow me to read this request:

Mr. Minister:

We are all cheese producers of the central part of the province of Quebec, more particularly in the counties of Nicolet-Yamaska, Drummond-Arthabaska and St. Maurice-Laflèche.

We are informed of the new policy concerning the subsidy on the production of cheese.

We submit that in order to conform with the regulations established on May 1, 1964, while at the same time providing consumers with the fresh cheese they are looking for, we would necessarily have to increase the price of cheese by 4 cents a pound or reduce by 30 cents per cwt. the price paid to farmers.

In each case, there would be an obvious prejudice which could entail very serious effects on our economy.

Consequently, we ask you to reconsider the matter in order to find a fair solution. In fact, we add that this problem is really urgent, which is quite evident.

Yours truly.

In my opinion, the Department of Agriculture should give favourable consideration to this request. I do not intend to refer to all the points I brought up last Friday, but I should like the Department of Agriculture to announce officially that the request has been received, considered and that the department will allow cheese producers who sell their products on the local market to benefit from a subsidy of 3.6 cents per pound with respect to first class cheese.

At present, these producers have to keep the cheese for a period of eight to ten days then send a piece of about 20 pounds for grading in Montreal. If they were allowed to sell this cheese immediately, while it is fresh, provided they kept a 20-pound piece in storage for a period of ten days, to be sent later for grading, I think it would be possible to do so. This would also enable those producers to benefit from this 3.6 cents a pound subsidy on grade "A" cheese and they would not be forced to raise by 4 cents a pound the retail price of cheese because efforts should tend to increase and not to discourage consumption.

Mr. Speaker, it is in this aspect of the new government policy that I am particularly interested and that is why I am asking the parliamentary secretary to the Minister of Agriculture (Mr. Beer), to answer my question tonight, as I know that this question has been carefully examined by the department's authorities. Therefore, I hope that this answer will favour the producers-manufacturers of my constituency.

[*Text*]

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for his question, which I think might be divided into two parts: First of all, did the Minister of Agriculture receive a request from certain manufacturers of cheese in the province of Quebec, and second the hon. member asked for some clarification of policy. This petition was received by the Minister of Agriculture and was appropriately—

Mr. Vincent: Discarded.

Mr. Beer: —discussed and dealt with. I think it is necessary, Mr. Speaker, to clarify the fact that we are dealing with cheese made from pasteurized milk, where the policy is that the cheese must be held for eight days; it is then graded, and if it grades 94 a premium of two cents is available; if it grades 93 a premium of one cent is available. The question, of course, has to do with the sale of fresh, or green cheese. If the manufacturer of cheese wants to dispose of his cheese prior to the eight days, of course he immediately forfeits the premiums that are available. But arrangements have been made whereby if an amount of cheese is held by the manufacturer until a grader arrives, then all the milk from which the cheese was made will be eligible for the 3.6 cents per pound assistance. I believe that is a clarification of the policy which the hon. member wished, and I think it is probably a tribute to the alertness of the department officials that this matter was taken into consideration even before the petition was received.

THE CANADIAN ECONOMY—STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the question I wish to raise concerns the alarming increase in the cost of living index as indicated in a dominion bureau of statistics release of last Friday, May 15. I want to begin by urging that we must not get too involved in emotional issues, such as the flag, to notice what is happening to our national economy. The bulletin that was issued last week indicates that within the last year there has been an alarming increase in the cost of living index.

To go back over the last five years, there has been a gradual increase in the cost of living. Perhaps I may give these figures briefly, Mr. Speaker. In April, 1959 the cost of living index was 125.4 points up .2 point over the previous year; in 1960 it increased 2.1 points; in 1961 it increased 1.6 points; in 1962, 1.2 points; and in April, 1963, 2.0 points. The current increase is 2.7 points, all based on the 1949 index. This is the greatest increase during the last five years. There were two previous indexes, in the years 1956 and 1957 which were slightly higher. The figure for 1956 showed an increase of 4.3 points over that of the previous year, and in 1957 the increase was also 4.3 points over the previous year. Before that there had been an increase in the cost of living index as high as 10.5 points in 1951 and 5.1 points in 1952. There has been a gradual increase, but this year it is rather alarming and I think the government should be, and probably is, quite concerned about this very great increase.

The anomaly of this situation is that in the very release which indicates that the food index has increased—that is, the cost to the householder—the price index for farm products is down. The farmer got less for his product but the householder paid more. For example, the price of beef given in the current release shows that it went up .5 points, or half a point, in one month, from March to April 1964, but in the same period the price paid to farmers for beef went down 1.3 points. This is a recurrence of the great complaint we had in 1955 and 1956 of a price spread between the farmer and consumer, and we certainly hope this is not a return of this problem which during the years of the previous government diminished so rapidly.

I do not want to make comparisons, but it is a fact that this increase has been brought about by the inflationary policies of the government and the expansion of the money supply at a greater rate than the gross national product has increased. There are a lot of other forces at work here. I think the large spending program for non-productive activities that the government has undertaken in the last year has contributed to the inflation.

In concluding, Mr. Speaker, I have in my hand a clipping from the Toronto *Telegram* of December 12, 1963, the heading of which is: "Bold plan by P.M. hits living costs". We should like to hear of this bold plan, because if it hit the living costs it certainly did not hit very hard. In December of last year the cost of living index was 134 and it is now 135. It has gone up one point, which is almost as much as it went up during a whole year in previous years. I should like the assurance that the government is giving very serious consideration to this problem of the cost of living, and general inflationary policies.

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I will reply rather briefly to the hon. member for Parry Sound-Muskoka who raised this question about the increase in the cost of living. The government is, of course, always concerned at increases in the cost of living. However I should like to point out that while in the years 1957 to 1960 the cost of living did not increase, during the same period unemployment increased in this country rather tragically.

There are three main points I should like to make in reply to the hon. member for Parry Sound-Muskoka. First of all, increases in consumer prices have been moderate and in line with the experience of the past few years. Second, they are only fractionally higher than those of the United States, even though the Canadian economy has been absorbing the effects of devaluation of the Canadian dollar. Third, the moderate increases in Canadian consumer prices are well below those of most European countries and Japan, which have been experiencing substantial price increases. Consequently, Canada's international position has not deteriorated; if anything it is improving, and this has been proved by the strengthening of our trade balance.

Motion agreed to and the house adjourned at 10.32 p.m.

END OF VOLUME III